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In the

Supreme Court of the United States

No. 170 October Term, 1949

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

Petition for Writ of Certiorari

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Petition for Writ of Certiorari

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Park-In Theatres, Inc., respectfully prays for a writ of certiorari to review the decision* (R., pp. 767-780 and F. 2d) and judgment* (R., p. 782) of the United States Court of Appeals for the First Circuit rendered in the above-entitled case on April 8, 1949,

which appellate decision, inter alia, sets aside[2] or overrules[2] the trial court's *fact-finding of invention* (R., pp. 426-430) and on that basis reverses the trial court's decision (R., pp. 403-420 and 70 F. Supp. 880) on the patent phase of the case, and

which appellate decision declines either to dismiss or decide respondent's appeal with respect to the trial court's decision on the contract phase of the case (with a dissent as to appellate jurisdiction over the lower court's decision on the contract phase of the case).

A certified transcript of the record in the case, including the proceedings in said Court of Appeals, is furnished herewith, in accordance with Rule 38 of this Court.

Summary and Short Statement of the Matter Involved

Nature of the suit

The present suit was brought in the United States District Court for the District of Rhode Island, by petitioner, Park-In Theatres, Inc., as plaintiff, against respondent, Loew's Drive-In Theatres, Inc. as defendant, on *two counts*, namely:

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* On the appeal of respondent (defendant-appellant below).

[2] R., p. 779, third line from bottom.

Count 1: for damages for breach of contract, namely, for unpaid royalties due under a certain patent license contract dated June 1, 1937, between petitioner and respondent (Ptf's Exh. 3; R., pp. 455-464 & 142);—for the period prior to its cancellation or termination (on June 1, 1938)

and

Count 2: for damages on account of respondent's infringement of petitioner's theretofore licensed patent (Ptf's Exh. 1; R., pp. 441-451 & 109) occurring after the admitted cancellation or termination (on June 1, 1938) of said license-contract.

Proceedings in the trial court

Trial by jury having been demanded and granted, this suit was one to be tried to a jury. By subsequent agreement* of the parties, however, the jury was waived (on pre-trial conference) shortly before trial, and therefore the case was tried to the court without a jury.

By agreement[2] between the court and counsel, the trial of the case was confined to the question of whether defendant-respondent is liable under *count 1* and/or *count 2;*—it having been agreed (R., p. 25) that if the trial court determines that defendant is liable, on either count, then the amount or extent of such liability will be *subsequently* determined by the court.

After defendant filed a Motion for Summary Judgment going to the validity of the patent-in-suit (R., pp. 12-13) *which Motion defendant withdrew upon the hearing thereon* (see Order of 7-20-42 at R., p.. 16-17) and after

* Embodied in paragraph 18 (R., p. 25) of the pre-trial Order (R., pp. 22-25) dated November 16, 1944.

[2] Embodied in paragraph 17 (R., p. 25) of the pre-trial Order (R., pp. 22-25) dated November 16, 1944.

defendant shifted its defenses *many* times* by amendments to its answer and by notices of additional "prior-art", and after two pre-trial conferences (on October 18, 1944, and on November 16, 1944) in an effort to crystalize the *issues to be tried* (culminating in Pre-Trial Order of 11-16-44 at R., pp. 22-25), and after pre-trial depositions going to many of the pleaded defenses, the case was tried to the court from January 22 to 30, 1945.

The trial court then received briefs;—plaintiff's brief having been filed on March 24, 1945, defendant's brief on June 21, 1945, and plaintiff's reply brief on July 26, 1945.

On September 26, 1945, the trial court called for a viewing of defendant's drive-in theatre charged to infringe the patent-in-suit, and such viewing was had on October 4, 1945, in the presence of counsel for both sides, during which viewing the operation of the successive rows of car-aiming ramps and their relation to driveways and screen was demonstrated to the trial judge.

The Trial Court's Opinion, Findings and Conclusions

On March 11, 1947, the trial court handed down its Opinion (R., pp. 403-420 and 70 F. Supp. 880) holding the contract-in-suit valid and enforceable and defendant liable for the unpaid royalties due thereunder up to its termination on June 1, 1938, and holding the patent-in-suit valid, enforceable and infringed by defendant since June 1, 1938, and defendant liable for such infringement, and directing the parties to proceed in accordance with paragraph 17 (R., p. 25) of the Pre-Trial Order, for the determination of the *amount* of defendant's liability.

The trial court's Findings of Fact (R., pp. 426-430), Conclusions of Law (R., pp. 431-2) and Interlocutory Judgment (R., pp. 424-5) were filed on August 11, 1947.

The trial court found that:

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* On 9-21-44, at R., pp. 18-19; on 11-16-44, at R., pp. 22-25; on 12-21-44, at R., p. 26; on 12-22-44, at R., p. 27; on 1-10-45, at R., pp. 27-8; and on 1-10-45, at R., pp. 28-9.

A) The drive-in theatre of the patent-in-suit is new, useful and unanticipated *(Findings 24, 23, 22 & 21)* and is *ingenious* and practical, a completely new idea of giving entertainment to people who could otherwise not ordinarily go to the theatre, and is a beneficial contribution to the art of exhibition of motion pictures and is a good business investment, and a commercial success *(Findings 18, 19, 20, 21, 22 & 25)*, and involved the exercise of inventive genius *(Finding 22)*.

B) The Hollingshead patent-in-suit *does* explain the principle of Hollingshead's drive-in theatre, and the best mode in which Hollingshead contemplates applying that principle so as to distinguish it from other inventions *(Finding 17)*.

The trial court concluded that:

C) Hollingshead had complied with and the patent-in-suit satisfies the requirement of R.S. 4888 (35 U.S.C. 33) *(Conclusion 43)*.

D) The drive-in theatre of the patent-in-suit is patentable subject-matter within R.S. 4886 (35 U.S.C. 31), i. e. is a "machine" and a "manufacture" *(Conclusion 42)*.

E) The claims of the patent-in-suit are valid *(Conclusion 44)*.

The decision of the Court of Appeals

In its Opinion handed down on April 8, 1949 (R., pp. 767-782), the U. S. Court of Appeals for the First Circuit declined to dismiss or decide defendant's appeal as to *Count 1 of the Complaint*, and reversed the trial court's decision on the patent phase of the case and held the plaintiff's patent-in-suit invalid on defendant's appeal as to *Count 2 of the Complaint*, by, inter alia, reversing or setting aside the trial court's *fact-finding* of invention, *without, however, relying on any of the many prior-art patents and publications or on the alleged prior-use of record herein and relied on by defendant both in the trial*

court and in the appellate court, and in disregard† of all evidence supporting the trial court's fact-finding of invention.

The patent in suit

Petitioner (plaintiff-appellee below) is the owner and licensor of U. S. patent 1,909,537 issued on May 16, 1933, to Richard M. Hollingshead, Jr., on Drive-In Theatre.

The drive-in theatre *structure* of the patent-in-suit consists, inter alia, on an elevated screen and a successive series of arcuate automobile driveways and arcuate rows of car-aiming ramps, alternating with each other (in front of the screen) the car-aiming ramps being inclined (that is, with the front thereof higher than the rear thereof), and so arranged that by driving a car onto a car-aiming ramp the car is tilted to an angle, with the car-angle variable at the will of the driver by moving the car more or less up on the inclined car-aiming ramp, thereby to adjust the car-angle so that the vertical angle-of-vision* of the car-occupants will register with and encompass the vertical dimension of the screen, with the lower sight-line, clearing the roofs of the cars on the car-aiming ramps ahead;—each driveway being depressed below the front of the car-aiming ramp behind it, so that cars can drive in and out without passing through the line-of-vision of the car-occupants on the car-aiming ramps and with successively rearward car-aiming ramps being successively higher in general elevation but having successively lesser angles of inclination, and electrical sound-reproducing means in operative relation to the car-aiming ramps.

The prior art

Long prior to Hollingshead there were many sporadic (and unsuccessful) outdoor movie theatres (R., pp. 35-6,

* Fixed by the height of the lower and upper edges of the windshield and the height of the occupants' eyes and the distance between the occupants' eyes and the windshield.

† See Opinion, page 776, line 10.

48, 55 & 523-5) sometimes called "airdromes"* so that the desirability of outdoor movies was long recognized.

Likewise, long prior to Hollingshead, automobiles were in wide and general use, and defendant has argued that there have been instances[2] where some people watched polo games and other athletic events while seated in a car on the edge of the field or watched crew races while seated in a car on the river bank.[3]

Theatre structures, of many different constructions, were old long prior to the invention of the patent-in-suit, as shown by the large collection of "prior-art" patents and publications and the prior-use pleaded and introduced in evidence by respondent (defendant-appellant below), as listed in the *patent-defense Chart* at the end of the supporting Brief.

There was *no* prior theatre structure, however, disclosed or suggested in *any* of the prior-art patents and publications in the prior-use pleaded and introduced in evidence, in which a successive series of "steps" or terraces was arranged with an *overall* slope inclined downwardly towards the screen and with the individual steps or terraces sloped *oppositely to the* aforesaid *overall* slope, so that while the terraces nearer the screen are at a lower *general* elevation and the terraces farther away from the screen at a higher *general* elevation, yet, the front of each terrace is *higher* than the rear of the terrace, as shown, for instance, in Figures 6, 7 and 8 of the patent-in-suit (R., p. 445). Not only is this *reverse-sloping* of the individual terraces or steps *in relation to the overall slope* of all of the steps, *not* shown in the prior-art, but the specific adjustable car-tilting or car-aiming arrangement of the patent-in-suit is likewise not shown in the prior-art, and it by reason of this *structure* that the

* Never relied upon either to anticipate or to negative invention in the patent-in-suit.

[2] Not of record.

[3] None of these things was ever pleaded, proved or relied on to anticipate or to negative invention in the patent-in-suit.

angle of the car can be varied by varying its position on the car-aiming ramp.

There is no "prior-art" of record disclosing or suggesting *any* drive-in theatre.

Drive-in theatre of patent-in-suit, is a pioneer invention

Hollingshead was the first one to invent the drive-in theatre *structure* or construction which produced the *first drive-in* motion-picture *theatre in history.*

Prior to the building of Hollingshead's theatre in Camden, N. J., in 1933, *no* drive-in theatre (of *any* kind) ever existed.

Patent-in-suit is a pioneer patent

The patent-in-suit is the first drive-in theatre patent ever issued in the World.

Prior to the Hollingshead patent-in-suit, there was no disclosure or suggestion, in *any* patent or publication, of *any* drive-in theatre whatever. Neither the phrase or term "drive-in theatre", nor any phrase or term meaning the same thing, has *ever* been found in *any* patent or printed publication prior to Hollingshead.

Hollingshead's drive-in theatre is a pioneer invention and gave rise to a large *new* industry, to the great benefit of the motion-picture producers and exhibitors and to the public.

Hollingshead's conception of his invention of the patent-in-suit and his experimental work in connection therewith

A year and a half before Hollingshead filed his application for the patent here in suit, he tried to find a way to build a drive-in theatre *"and that offered considerable difficulty"* (R., p. 73), and he worked on this for about a year (R., p. 73, line 25) before he solved the problem, *"and gradually the whole thing seemed to come to (him), especially the adjustability of the ramps, which gave*

(him) a great deal of concern because all people were not of the same stature nor all of them rode in the same type or make of automobile nor was the same type of automobile of the same vintage. That offered considerable difficulty" (R., p. 73) and, after so working for about a year on how to accomplish this, *"at one time (he) struck upon the idea of how to accomplish that"* (R., p. 73), namely *"how to create adjustability for all different heights of cars and all different heights of people and eyes"* (R., pp. 73-4), and then went through several successive stages of experimentation in connection with this structure (R., pp. 73-5), and thereafter built a wooden model thereof in the later part of February or the early part of March, 1931 (R., p. 83), and thereafter built the first full-size drive-in theatre in 1933.

Initial skepticism of the industry followed by general acceptance of the drive-in theatre of the patent-in-suit

In the face of the universal skepticism of those skilled in the motion picture exhibition industry, as to whether his drive-in theatre structure would permit the unobstructed and effective viewing of a motion-picture from the seats of successive rows of automobiles, one behind the other, and whether it would permit the ingress and egress of the automobiles without obstructing the view of those behind (R., pp. 75-7, 83, 520-8, 194, 62-4, 70, 119-123), and unable to persuade any motion-picture exhibitors or producers to adopt his drive-in theatre invention (because of this *skepticism as to the practicability of his structure*), Hollingshead (in 1933) built the first drive-in theatre in history (at Camden, N. J.) (R., pp. 77-8), which was then promptly and widely acclaimed as an outstanding innovation in motion-picture exhibition (R., pp. 81-3 and PX-10 at R., pp. 477-483, and PX-16 at R., pp. 497 & 144, and PX-17 at R., pp. 499 & 147, and PX-18 at R., pp. 501 & 147, and PX-19 at R., pp. 503 & 147, and PX-20 at R., pp. 505 & 147, and PX-32 at R., pp. 543 & 399).

Defendant alleged its own prior effort to adopt and perfect the drive-in theatre of the patent-in-suit, in which effort it FAILED, according to the lower court's Findings of Fact

In paragraph 18 of its Answer (R., p. 10) *defendant alleged* that prior to Hollingshead *others* thought of the drive-in theatre of the patent-in-suit and *"were using reasonable diligence in adopting and perfecting the same"*, and 4½ years after it filed its original Answer, defendant amended paragraph 18 of its Amended Answer (see paragraph 13 of the Pre-Trial Order of November 16, 1944, at R., p. 24) to allege that among those who *"were using reasonable diligence in adopting and perfecting the" drive-in theatre idea of the patent-in-suit* (prior to Hollingshead), *was Mr. Elias M. Loew, in his own Watertown Square Theatre* (near Boston) and, both upon pre-trial depositions as well as upon the trial, defendant introduced evidence in support of this allegation but the trial court, after hearing the testimony impliedly found that Mr. Elias M. Loew failed to bring into being (or disclose) the drive-in theatre of the patent-in-suit (or, indeed, *any* drive-in theatre) *prior* to Hollingshead, notwithstanding his *"reasonable diligence in adopting and perfecting the same"* which defendant affirmatively pleaded by its notice of November 3, 1944, under paragraph 18 (R., pp. 10-11) of its Amended Answer, as shown by paragraph 13 (R., p. 24) of the Pre-Trial Order of November 16, 1944 (R., pp. 22-25).

Defendant's adoption and use of the invention of the patent-in-suit first under license then in infringement of the patent-in-suit

Mr. Elias M. Loew, president of respondent (defendant-appellant below) visited and inspected Hollingshead's Camden drive-in theatre (R., pp. 80-81). Thereafter respondent took a license under the patent-in-suit on June 1, 1937, built a drive-in theatre in Providence, R. I.,

under said license, paid royalties for a while and then stopped paying royalties;—whereupon petitioner (plaintiff-appellee below) canceled the license. Respondent continued to operate its aforesaid Providence drive-in theatre after the license was canceled, *in admitted infringement* of the patent-in-suit.*

Hence the suit at bar and its *two* counts.

Appellate Opinion does not rely on prior-art of record

In its Opinion (R., pp. 773-780) the appellate court does not rely on *any* of the many prior-art patents and publications nor upon the alleged "prior-use" pleaded and introduced in evidence (and designated as a part of the record on appeal) and assigned by defendant in its *Statement of Points* under Rule 75-d (F.R.C.P.) in the words:

> "2. The disclosures of said patent * * * lack invention, in view of the prior knowledge of those skilled in the art, *as shown by the record herein*"[1],

and relied upon by defendant in its Brief in the Court of Appeals, as the *sole* basis for defendant's contention of "non-invention" or "want of invention".

Jurisdiction

There is a suit arising under the Patent Laws of the United States, and the U. S. District Court's jurisdiction was involved under Section 24(7)[2] of the Judicial Code; 28 U.S.C. 41(7).[2]

The jurisdiction of this Court is invoked under Section 1254 (1) of Title 28 of the United States Code.[3]

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* See paragraph 8 (R., p. 23) of Order on pre-trial conference.

[1] This is the *only* appeal-point in defendant's *Statement of Points* (under Rule 75-d) going to the defense of non-invention pleaded in paragraphs 16, 17 & 18 of the Answer (R., pp. 10-11).

[2] Since, replaced by 28 U.S.C. 1338.

[3] Which became effective September 1, 1948 (the corresponding Statute effective prior to September 1, 1948, having been 28 U.S.C. 347).

The Judgment your petitioner seeks to have reviewed is dated April 8, 1949;—the date of entry of the Judgment in the Court of Appeals.

The Mandate has been stayed by Order of the Court of Appeals, to permit the filing of a Petition for Writ of Certiorari.

Questions Involved

Question 1: Did the Court of Appeals err in reversing the trial court's fact-finding of invention and in holding the patent-in-suit invalid for lack of invention?[1]

(this Question is involved in the 1st, 2nd, 3rd & 4th Reasons relied on for the Allowance of Writ of Certiorari)

Question 2: Did the Court of Appeals err in overruling the trial court's fact-findings of invention and in holding[2] irrelevant or "beside the point", all testimony and evidence supporting the trial court's fact-finding of invention and fortifying the legal presumption of invention inherent in the granting of the patent?

(this Question is involved in the 3rd, 4th & 5th Reasons relied on for the Allowance of Writ of Certiorari)

Question 3-a: Can patentable invention reside, at least in part, in the conception or idea, or can patentable invention

[1] Which the Court of Appeals did without reliance upon any extrinsic evidence of record impugning the validity of the patent. In its decision as to which certiorari is here sought, the Court of Appeals for the First Circuit apparently did *not* rely upon *any* of the prior-art patents and publications nor upon the alleged prior-use pleaded, introduced in evidence, designated by defendant to become a part of the *Record of Appeal* and assigned by it in its *Statement of Points* under Rule 75-d, and disregarded all evidence supporting the trial court's fact-finding of invention and fortifying the legal presumption of invention inherent in the granting of the patent.

[2] See Opinion, R., p. 776, lines 10 to 20.

reside *only** in the assembling of the component elements into a unitary structure constituting a physical embodiment of the concept or idea?

or, stating it another way,

Question 3-b: Can patentability be based:

I) on the creative genius needed for the new conception or idea

or

II) only on the ingenuity needed in making a device which is a physical embodiment of the new conception or idea*

or

III) on the combination of the two (I & II)?

(this Question is involved in the 4th Reason for the Allowance of Writ of Certiorari)

Question 4: Is the test of patentability of patent-claims covering a *combination* of different elements, the novelty and/or ingeniousness of each or any one of the component element, per se, or is the test of patentability the novelty and/or ingeniousness of the *combination* defined by the claims of the patent?

(this Question is involved in the 8th Reason relied on for the Allowance of Writ of Certiorari)

Question 5-a: Did the Court of Appeals err in holding that a *long* period[2] of time must intervene between conception and reduction to practice, in order that the patentee's contribution might be deemed *inventive* within

* As held by the Court of Appeals in the decision which is the subject of the present petition.

[2] In the case at bar this period is more than a year, according to plaintiff's interpretation of the record, and is but a few months, according to defendant's interpretation of the record.

the meaning of 35 U.S.C. 31, and is such holding compatible with this Court's requirement[2] that invention must involve a *flash* of creative genius?

Question 5-b: Where the inventor of the patent-in-suit "was the first to hit upon the idea of a drive-in theatre and consequently * * * the first to appreciate the problems inherent in designing a practical one"[3], does it mitigate against the validity of the patent-in-suit, on the fact-question of invention, that "it did not take him (i. e. the patentee) long to solve these problems"?[4]

(this Question, parts "a" & "c", is involved in the 6th Reason relied on for the Allowance of Writ of Certiorari)

Question 6: Where does the burden lie, in a patent infringement suit, in respect to the validity of the patent, namely,

a: does the defendant have the burden affirmatively to show by cogent and persuasive evidence that the patentee's contribution did not involve the exercise of inventive faculties

or

b: does the plaintiff have the burden[4] of establishing (regardless of the prima facie validity of a regularly issued U. S. patent) that the patentee's contribution involved the exercise of the inventive faculties?

(this Question is involved in the 2nd Reason relied on for the Allowance of Writ of Certiorari)

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[2] In *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U.S. 84; 86 L.Ed. 58.

[3] Appellate Opinion, R., p. 779, lines 16 to 18.

[4] Appellate Opinion, R., p. 779, lines 18 & 19.

Question 7: Is it incumbent upon a patentee (who is the pioneer in his field and who started an entire new industry) affirmatively to show some prior unsuccessful efforts of others, in order to sustain the validity of the patent?[4]

(this Question is involved in the 2nd Reason relied on for the Allowance of Writ of Certiorari)

Question 8: Is not defendant's affirmative pleadings in its Answer that *others* prior to the patentee "were using reasonable diligence in adapting and perfecting" the drive-in theatre of the patent-in-suit, such a *judicial admission*

as conclusively estopped defendant-appellant from contending (for the first time on appeal) that "there had been no unsuccessful efforts wherein others had tried and failed" "to discover the means for making drive-in theatres practically useful", and

as precluded the appellate court from predicating its reversal of the trial court's judgment (which held the patent valid) wholly or in part upon the adoption of the aforesaid defense-contention?

(this Question is involved in the 7th Reason relied on for the Allowance of Writ of Certiorari)

Question 9: Did the U. S. Court of Appeals err in reversing the trial court's judgment and fact-findings of invention and in holding the patent-in-suit invalid upon a ground or defense *not* pleaded, noticed, urged or considered in the trial court?

(this Question is involved in the 9th Reason relied on for the Allowance of Writ of Certiorari)

[4] As, in effect, held by the Court of Appeals.

Question 10. Did the U. S. Court of Appeals err in reversing the trial court's judgment and fact-findings of invention and in holding the patent-in-suit invalid upon a ground or defense not assigned in defendant-appellant's *Statement of Points* under Rule 75-d (F.R.C.P.)?

(this Question is involved in the 9th Reason relied on for the Allowance of Writ of Certiorari)

Reasons relied on for the allowance of Writ of Certiorari

1) On foregoing *Question 1*, the decision of the U. S. Court of Appeals for the 1st Circuit, in the case at bar, is, in effect, in *conflict* with the decision* rendered by the U. S. Court of Appeals for the *9th Circuit on the same matter* (namely, the patent here in suit) in the following case: *Park-In Theatres, Inc.* v. *M. A. Rogers et al*, 130 F. 2d 745, 747 (covered by *Argument-Points 1-A, 1-B & 1-C* of supporting Brief).

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* In the case at bar the Court of Appeals held the patent invalid for lack of invention (and so reversed the trial court) without reliance upon any of the prior-art patents and publications or the prior-use pleaded, introduced in evidence and assigned by defendant in its *Statement of Points* (under Rule 75-d) as the sole basis urged by it, on appeal, for its contention of "lack of invention", and in disregard (R., p. 776, lines 10 to 20) of all evidence supporting the trial court's fact-finding of invention. In *Park-In* v. *Rogers*, supra, the defendant moved for summary judgment on four grounds, including "(*c*) Want of Invention" (see *Appendix B*, page 1b, line 16) and the U. S. District Court for the Southern District of California sustained this ground both in its Memorandum of Conclusions (*Appendix C*, page 1c, lines 12 to 14) as well as in its Conclusions of Law (*Appendix D*, page 1d, lines 8 to 12) and this ruling by the District Court was included in the grounds of appeal (*Appendix E*, page 1e, lines 16 to 21) to the Court of Appeals for the 9th Circuit. The Court of Appeals for the 9th Circuit, having reversed the District Court in *Park-In* v. *Rogers*, supra, impliedly and necessarily also reversed the trial court's holding of non-invention which was an entirely separate and independent basis for the District Court's summary judgment. Insofar as the Court of Appeals, in the case at bar, does *not* rely on *any* of the pleaded prior-art and ruled out all evidence fortifying the legal presumption of invention and supporting the trial court's fact-finding of invention, its holding of invalidity for lack of invention is necessarily on the same basis as one of the two grounds upon which the District Court, in *Park-In* v. *Rogers*, supra, entered the summary judgment which was reversed by the 9th Circuit.

2) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided important questions of federal law, namely, foregoing *Questions 1, 6 and 7,* in a way which is in conflict with the following applicable decisions of this Court, and in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision, as shown by the following applicable decisions of this Court and of the Courts of Appeals of the First and other Circuits, in that the *Court of Appeals, in the case at bar, held the patent in suit invalid for lack of invention without reliance upon any of the prior-art of record and without reliance upon any defense pleaded by the defendant and in disregard of the legal presumptions of validity inherent in the grant of the patent, and in disregard*[2] *of all evidence supporting the trial court's fact-finding of invention* (covered by *Argument-Point 2* of supporting Brief):

Mumm v. *Decker*, 301 U.S. 168, 171; 81 L. Ed. 983, 985;

Cantrell v. *Wallick*, 117 U.S. 689, 695-6; 29 L. Ed. 1017, 1019;

Smith v. *Goodyear Dental Vulcanite Co.*, 93 U.S. 486; 23 L. Ed. 952, 955;

Lehnbeuter v. *Holthaus*, 105 U.S. 94; 26 L. Ed. 939, 949;

Coffin v. *Ogden*, 85 U.S. 120; 21 L. Ed. 821, 823;

Washburn & Moen Mfg. Co. v. *Beat 'Em All Barbed Wire Co.*, 143 U.S. 275; 36 L. Ed. 154, 158-9;

Adamson v. *Gilliland*, 242 U. S. 350, 353; 61 L. Ed. 356, 357-8;

Park-In Theatres, Inc. v. *Rogers et al*, 130 F. 2d 745, 747 (CCA-9) involving the same patent;

Bianchi v. *Barili*, 168 F. 2d 793, 795 (CCA-9);

General Motors Corp. v. *Kesling*, 164 F. 2d 824, 827 (CCA-8) certiorari denied 333 U.S. 855;

[2] See Opinion at R., p. 776, lines 10 to 20.

National Slug Rejectors v. *A. B. T. Mfg. Corp.*, 164 F. 2d 333, 338-9 (CCA-7), certiorari denied 333 U.S. 832;

Lincoln Stores v. *Nashua Mfg. Co.*, 157 F. 2d 154, 163 (CCA-1), certiorari denied 329 U.S. 811.

3) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided important questions of federal law, namely, foregoing *Questions 1 and 2*, in a way which is in conflict with the following applicable decisions of this Court and in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision, as shown by the following applicable decisions of this Court and of the Court of Appeals of the First Circuit and other Circuits, in that the decision of the *Court of Appeals, in the case at bar, overrides, overrules or sets aside and vitiates the fact-findings of the trial court*[2] *on the fact-question of whether it involved the exercise of the inventive faculties to have conceived and brought into being the drive-in threatre** *defined by the claims of the patent in suit* (covered by *Argument-Point 3* of supporting Brief):

Rule 52-a of the Federal Rules of Civil Procedure;

Graver Tank & Mfg. Co. v. *Linde Air Products Co.*, 336 U.S. 271, 93 L. Ed. 492, 496, 80 USPQ 451;

Goodyear Tire & Rubber Co. v. *Ray-O-Vac Co.*, 321 U.S. 275, 278; 88 L. Ed. 721, 724;

Williams Mfg. Co. v. *United Shoe Machinery Corp.*, 316 U.S. 364, 367; 86 L. Ed. 1637, 1641;

United States v. *Esnault-Pelterie*, 303 U.S. 26, 29; 82 L. Ed. 625;

[2] Which the appellate court did without reliance upon any prior-art of record or upon any defense pleaded by defendant.

* Which drive-in theatre is neither disclosed nor suggested in any prior patent or publication or in any prior-use.

Thomson Spot Welder Co. v. *Ford Motor Co.*, 265 U.S. 445, 446; 68 L. Ed. 1098, 1100;
Lincoln Stores v. *Nashua Mfg. Co.*, 157 F. 2d 154, 163 (CCA-1) certiorari denied 329 U.S. 811;
Faulkner v. *Gibbs*, 170 F. 2d 34, 37 (CA-9);
Strong-Scott Mfg. Co. v. *Weller*, 112 F. 2d 389, 395 (CCA-8);
Cusano v. *Kotler*, 159 F. 2d 159, 160 (CCA-3);
Sturtevant v. *Massachusetts Hair & Felt Co.*, 122 F. 2d 900, 906, 914 (CCA-1).

4) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided important questions of federal law, namely, foregoing *Questions 1, 2 and 3 (a & b)*, in a way which is in conflict with the following applicable decisions of this Court and in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision, as shown by the following decisions of this Court and of the Court of Appeals of other Circuits, and of the U. S. Court of Customs and Patent Appeals, in that the decision of the *Court of Appeals, in the case at bar, holds, in effect, that patentability cannot be based upon the ingeniousness of the new concept or concept or idea but only upon the ingenuity needed in making a device which is a physical embodiment of the new conception or idea;—once the conception or idea has been supplied by the patentee* (covered by *Argument-Point 4* of supporting Brief):

Hobbs v. *Beech*, 180 U.S. 383, 392; 45 L. Ed. 586, 592;
Smith v. *Nichols*, 88 U.S. 112; 22 L. Ed. 566, 567;
Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U.S. 84, 90, 91; 86 L. Ed. 58, 62, 63;
Goodyear v. *Ray-O-Vac, supra;*
Sturtevant v. *Massachusetts Hair & Felt Co.*, 122 F. 2d 900, 907 (CCA 1);

Gillman v. *Stern*, 114 F. 2d 28, 30 (CCA 2);
Gelardin v. *Revlon Products Corp.*, 164 F. 2d 910, 911 (CCA 2);
Rosemary Mfg. Co. v. *Halifax Cotton Mills*, 257 Fed. 321, 322 (CCA 4);
Seymour v. *Ford Motor Co.*, 44 F. 2d 306, 309 (CCA 6);
Pyrene Mfg. Co. v. *Boyce*, 292 Fed. 480, 481 (CCA 3);
In re Holt, 162 F. 2d 472, 475-6 (CCPA);
In re Earle, 102 F. 2d 232, 235 (CCPA).

5) The U. S. Court of Appeals for the First Circuit, in the case at bar, has decided an important question of federal law, namely, foregoing *Question 2*, in a way in conflict with applicable decisions of this Court and has so far departed from the accepted and usual course of judicial proceedings, as shown by the following applicable decisions of this Court and of the Courts of Appeals for the First and other Circuits, as to call for an exercise of this Court's power of supervision; in that the decision of the Court of Appeals, in the case at bar, departed from, and is at variance with, the long established principle that *commercial success and recognition and acceptance by others in the field constitute evidence of invention which can be relied on to support trial court's fact-finding of invention* (covered by *Argument-Point 5* of supporting Brief):

Goodyear Tire & Rubber Co. v. *Ray-O-Vac Co.*, 321 U.S. 275, 278; 88 L. Ed. 721, 724;
Smith v. *Goodyear Dental Vulcanite Co.*, 93 U.S. 486, 495; 23 L. Ed. 952, 954-5;
Magowen v. *New York Belting & Packing Co.*, 141 U.S. 332, 343; 35 L.Ed. 781, 785;
Topliff v. *Topliff*, 145 U.S. 156, 163-4; 36 L. Ed. 658, 661-2;
Keystone Mfg. Co. v. *Adams*, 151 U.S. 139, 143; 38 L. Ed. 103, 104;

C. & A. Potts & Co. v. *Creager*, 155 U.S. 597, 609; 39 L. Ed. 275, 279;

Minerals Separation Ltd. v. *Hyde*, 242 U.S. 261, 270; 61 L. Ed. 286, 293;

Smith v. *Snow*, 294 U.S. 1, 7, 14; 79 L. Ed. 721, 725, 729;

Diamond Rubber Co. v. *Consolidated Rubber Tire Co.*, 220 U.S. 428, 434-5, 441; 55 L. Ed. 527;

National Battery Co. v. *Richardson Co.*, 63 F. 2d 289, 292 (CCA 6);

McKee v. *Graton & Knight Co.*, 87 F. 2d 263, 264 (CCA 4);

Lincoln Stores v. *Nashua Mfg. Co.*, 157 F. 2d 154, 163 (CCA 1); certiorari denied 329 U.S. 811;

Strong-Scott Mfg. Co. v. *Weller*, 112 F. 2d 389, 395 (CCA 8);

James P. Marsh Corp. v. *U. S. Gauge Co.*, 129 F. 2d 161, 163-4 (CCA 7);

Forestek v. *Knapp-Monarch Co.*, 106 F. 2d 554, 558 (CCA 6);

Electric Machinery Mfg. Co. v. *General Electric Co.*, 88 F. 2d 11, 14-15 (CCA 2).

6) The U. S. Court of Appeals for the First Circuit, in the case at bar, has decided an important question of federal law, namely, foregoing *Question 5 (a & c)*, in a way in conflict with the following applicable decision of this Court and has so far departed from the accepted and usual course of judicial proceedings, is shown by the following applicable decision of this Court and by the following applicable decision of the Court of Appeals for another Circuit, as to call for an exercise of this Court's power of supervision; in that the decision of the *Court of Appeals, in the case at bar holds that invention is negatived by reason of the fact that it did not take the patentee long to perfect and embody his invention after having conceived it*, whereas this Court has held that

patentable invention lies in the flash* of creative genius and not in the longer effort usually required to make a physical embodiment of the inventive concept or idea (covered by Argument-Point 6 of supporting Brief):

Cuno Engineering Corp. v. *Automatic Devices Co.*, 314 U.S. 84, 91; 86 L. Ed. 58, 63;
Potts v. *Coe*, 140 F. 2d 470, 473 (App. D. C.).

7) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided important questions of federal law, namely, foregoing *Questions 7 and 8*, in a way which is in conflict with the following applicable decision of this Court and in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision, as shown by the following applicable decisions of this Court and of the Courts of Appeal of other Circuits, in that the decision of the *Court of Appeals, in the case at bar,*

a) *relies,* at least in part, *upon plaintiff's failure to show prior unsuccessful efforts of others* (a point urged by defendant for the first time on appeal), *whereas that question was closed by defendant's affirmative pleading to the contrary* (in its Answer), to the effect that others prior to the patentee of the patent-in-suit had diligently tried to adopt and perfect a drive-in theatre of the patent in suit, and

b) *fails to give full force and effect to the judicial admission which such affirmative pleading constitutes* (covered by Argument-Point 7 of supporting Brief):

Miles v. *U. S.*, 103 U. S. 304 (26 L. Ed. 481, 483-4);
Alamo v. *Del Rosario*, 98 F. 2d 328, 330 (App. D.C.);
Jones v. *Moorhead*, 68 U.S. 155; 17 L. Ed. 662;

* In contradistinction to the slow, methodical progress involved in the so-called "Routineering" criticized in *Potts* v. *Coe*, 140 F. 2d 470, 473 (App. D. C.).

Darling Shops, Inc. v. *Brack*, 95 F. 2d 135, 141 (CCA 8);
Stolte v. *Larkin*, 110 F. 2d 226, 232 (CCA 8);
Scott v. *Commissioner*, 117 F. 2d 36, 40 (CCA 8).

8) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided important questions of federal law, namely, foregoing *Question* 4, in a way which is in conflict with the following applicable decisions of this Court and in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision, as shown by the following applicable decisions of this Court and of the Courts of Appeal of other Circuits, in that the decision of the *Court of Appeals, in the case at bar, either held, in effect (and contrary to the below-cited decisions), that novelty and ingeniousness (as a basis of patentability) must be found in the component elements, per se, of the claimed combination, rather than in the combination as such, or ignored the question of patentability residing in the combination as such and confined its examination of the question to the novelty and ingeniousness to the component elements, per se* (covered by Argument-Point 8 of supporting Brief):

Expanded Metal Co. v. *Bradford*, 214 U.S. 366, 381; 53 L. Ed. 1034, 1039;
Webster Loom Co. v. *Higgins*, 105 U.S. 580; 26 L. Ed. 1177, 1181;
Forestek Plating & Mfg. Co. v. *Knapp Monarch Co.*, 106 F. 2d 554, 557 (CCA 6);
Simons v. *Davidson Brick Co.*, 106 F. 2d 518, 521 (CCA 9);
General Motors Corp. v. *Swan Carburetor Co.*, 88 F. 2d 876, 887 (CCA 6) certiorari denied 302 U.S. 691.

9) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided an important question of federal law, namely, foregoing *Questions 9 and 10* in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of

this Court's power of supervision, as shown by the following applicable constitutional provisions, rules and decisions of this Court and of the Court of Appeal of the First and other Circuits, in that the decision of the *Court of Appeals, in the case at bar,*

a) *based its reversing decision upon defenses not pleaded, noticed, urged or considered in the trial court* (covered by *Argument-Point 9-A* of supporting Brief):

Rules 8-c, 12-b and 12-h of the Federal Rules of Civil Procedure;

Mumm v. *Decker,* 301 U.S. 168, 171 (81 L. Ed. 983, 985);

Schmidtke v. *Conesa,* 141 F. 2d 634, 635 (CCA 1);

Edward B. Marks Music Corp. v. *Jerry Vogel Music Co.,* 140 F. 2d 268, 270 (CCA 2);

Roe v. *Sears, Roebuck & Co.,* 132 F. 2d 829, 832 (CCA 7);

Chicago Great Western Ry. Co. v. *Peeler,* 140 F. 2d 865, 868 (CCA 8);

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Federal Deposit Insurance Corp. v. *Congregation Poiley Tzedeck,* 159 F. 2d 163, 167 (CCA 2);

and

b) *based its reversing decision upon defenses or grounds not assigned in defendant-appellant's Statement of Points under Rule 75-d of the Federal Rules of Civil Procedure* (covered by *Argument-Point 9-B* of supporting Brief):

Rule 75-d of the Federal Rules of Civil Procedure;

Jesionowski v. *Boston & Maine Railroad,* 329 U.S. 452, 458-9; 91 L. Ed. 416, 421;

Ritchie v. *Drier,* 165 F. 2d 238, 240 (U. S. App. D. C.);

Kuper v. *Betzer,* 127 F. 2d 84, 85 (CCA 8);

and thus the U. S. Court of Appeals for the First Circuit deprived plaintiff of its property without due process of law, in violation of

The Fifth Amendment of the Constitution of the United States.

Conclusion

Wherefore, your petitioner respectfully prays that a writ of certiorari be issued under the seal of this Court, directed to the United States Court of Appeals for the First Circuit, sitting at Boston, Massachusetts, commanding said Court to certify and send to this Court, on a date to be designated, a full and complete transcript of the record and all proceedings of the said Court of Appeals had in this cause, to the end that this cause may be reviewed and determined by this Court, and that the judgment and decision of the Court of Appeals for the First Circuit may be reversed, and that your petitioner may be granted such other and further relief as may to this Court seem proper.

PARK-IN THEATRES, INC.
Petitioner.

By
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Attorneys for Petitioner.

The undersigned hereby certify that the foregoing petition is in their opinion well founded, and that the case is one in which the petitioner's prayer should be granted by this Court.

.....
Leonard L. Kalish

.....
Melvin R. Jenney

.....
Thomas J. Flynn
Attorneys for Petitioner.

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CHARLES ELMORE C

In the

Supreme Court of the United States

No. 170 October Term, 1949

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

BRIEF

in support of

Petition for Writ of Certiorari

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Brief in Support of Petition for Writ of Certiorari

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

The opinions of the courts below

The opinion of the trial court is reproduced at pages 403 to 420 of the Transcript of Record (Vol. I) and is reported at 70 F. Supp. 880.

The reversing opinion of the Court of Appeals for the First Circuit is reproduced at pages 767 to 782 of the Transcript of Record (Vol. II) and is reported at F. 2d (81 USPQ 149);— and the only part of the Opinion of the appellate court which is involved on the present Petition for Writ of Certiorari is the part beginning in line 8 of page 773 and ending in line 2 of page 780 of the Transcript of Record (Vol. II).

Jurisdiction

The date of the judgment of the U. S. Court of Appeals for the First Circuit (to be reviewed) is April 8, 1949.

The judgment was entered in a patent infringement suit, brought under the Patent Statutes of the United States, on account of the infringement of Letters Patent for invention issued by virtue of Section 4886 of the Revised Statutes of the United States (35 USC 31).

Jurisdiction of this Court is invoked under Section 1254(1) of Title 28 of the United States Code.

Statement of the Case

A brief summary of the facts of the case (with references to the Record) is contained in pages 5 to 9, inclusive, of the Petition for Writ of Certiorari, and such summary of facts is here included, by reference.

The following is a supplemental and a somewhat more

detailed *statement of the facts* fortifying the legal presumption of *invention* inherent in the grant of the patent here in suit* and supporting the trial court's fact-finding[2] of invention, as involved more particularly in the following Argument-Points.

Initial skepticism of those skilled in the motion picture industry as to the feasibility of Hollingshead's drive-in theatre structure

After Hollingshead had completed his experiments (R., pp. 73-5) and *built* his wooden model of his drive-in theatre (R., p. 83), he "solicited the aid of quite a few people" "and some of the motion picture business" in an effort to get financial backing to commercialize his drive-in theatre (R., p. 75) but was unable to get any financial assistance, because these people, including people in the motion picture business, "did not understand" this drive-in theatre construction which Hollingshead explained to them, "and (these people)[3] did not know *how* (Hollingshead's drive-in theatre structure)[3] could work" and they "thought it was a good idea, but were skeptical" (R., p. 75);—naming some of these people (R., p. 76).

Rebuffed by the skepticism of the people in the East, to whom he presented his drive-in theatre idea with a view to its commercial exploitation, Hollingshead then went to California, in the summer of 1932, to see if he could interest motion-picture people on the West Coast in the com-

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* *The Court of Appeals, in the case at bar, held that all evidence* of the character which the courts have universally recognized as *tending to show invention*, and which, hence, supports the trial court's fact-finding of invention in the case at bar, *was "beside the point"* (R., p. 776, line 10), while *the Court of Appeals for the Ninth Circuit in Park-In* v. *Rogers* (130 F. 2d 745, 748), *held contrawise*, that plaintiff (petitioner) had "the right to fortify the presumption of validity of the patent by proof of matters tending to show that the conception of the patentee involved invention and utility".

[2] *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U. S. 271 (93 L. Ed. 492, 496; 80 USPQ 451).

[3] All parenthetical interpolative statements, within quotations, are supplied, unless otherwise noted.

mercial exploitation of his drive-in theatre idea and interviewed many motion picture producers and exhibitors in Southern California, but again without success (R., pp. 76-77).

Hollingshead's testimony as to initial skepticism in the industry is amply supported by the testimony of independent witnesses, all of whom were skilled in the theatre art and long familiar with "prior art" of the type relied on by the defendant at bar.

In an effort to arouse commercial interest in his drive-in theatre invention, Hollingshead also interviewed Harry Blumberg, manager of the National Theatre Supply Company of Philadelphia (R., p. 83) but, after explaining his invention to Blumberg, the latter just "shrugged his shoulders" and simply "didn't see how it was going to work".

Harry Blumberg, manager of the Philadelphia Branch of National Theatre Supply Company since 1926 (and in the theatre supply business prior to that since 1913) testified first of the experience of his company and of his personal experience in the equipping of motion-picture theatres with everything that goes into a theatre (R., pp. 520-521) and then testified that in the early part of 1932, he met Hollingshead, who came to him for information about getting equipment and how Hollingshead disclosed to him the drive-in theatre. Blumberg explained his utter skepticism about such an idea (R., p. 522) and how they continued to discuss this matter (R., pp. 521-522), and yet Blumberg did not think it possible to put a series of cars, one behind the other, and have the occupants of each car see the same motion-picture screen in the front of all the cars (R., p. 523), and how Blumberg, even after later seeing drawings of Hollingshead's drive-in theatre, still remained skeptical (R., pp. 525-526). Even while Hollingshead's Camden drive-in theatre was being built in the spring of 1933, at which Blumberg supervised the installation of equipment (R., p. 526), Blumberg was still skeptical, and it was not until he actually saw the thing in

actual operation, and had tried out the various ramps in a car, that he was satisfied;—because he then "saw how it was possible" (R., p. 526), and *after* going back to the Camden drive-in theatre a few times, to regular performances, he became interested in the drive-in theatre idea and "figured this thing is going to be a big thing in the future" (R., pp. 526-527) (194) and "was quite enthused about it" and "thought there were some possibilities for it" (R., p. 527), and that since then, his company had set up a special department for supplying equipment for drive-in theatres and put a man in charge of this department just to look after the sale of motion-picture equipment to drive-in theatres (R., p. 527).

Prior to the time Hollingshead's drive-in theatre was made known to Blumberg, he had not even seen anything like it (R., p. 528) or anything that suggested such a drive-in theatre to him (R., p. 528).

Edward Auger, home-office representative of the Photophone Division of the Radio Corporation of America, dealing with sound equipment and projection equipment for motion picture theatres, and who had been connected with the theatre business for 35 to 40 years in the production and distribution of film and in the operation of conventional motion-picture theatres and was familiar with the construction of theatres and has seen them under construction, and who was also familiar with Hollingshead's drive-in theatre construction and who had been to some of the drive-in theatres built and licensed under the patent-in-suit (R., p. 62), testified that he first became familiar with the drive-in theatre idea in 1932 when Hollingshead came to his company and asked him what he thought of a theatre whereby you could drive automobiles in and see the picture and listen to the sound, and that his first reaction was:

"I don't think it can be done" (R., pp. 62-63),

because it did not seem possible to him to visualize the screen and cars, driving, one behind the other, in rows, looking over the other cars and still seeing the picture, no

matter how high the picture was (R., p. 63), because he had a feeling that the windshield "kind of stopped you there, either on the height, because you had to look down to see the picture, or on the other end, because the car in front would cut it off" (R., p. 63).

After getting Auger's first reaction, Hollingshead explained the whole construction of his drive-in theatre to Auger and showed him how the ramps and driveways were to be constructed and how one car would see over the top of the other, and how it was possible, therefore, to have a number of ramps, each one being free to see the picture at the front of the drive-in theatre (R., pp. 63-64).

Even *after* the drive-in theatre idea and its construction were explained to Auger, he was still skeptical, and referred the matter to the Technical Department of the Engineering Department of his company (Radio Corporation of America), including James Frank, Jr. (R., p. 70).

Prior to Hollingshead's disclosure to him (in 1932) of the drive-in theatre idea Auger had never seen anything like it in all his experience (R., p. 64).

James Frank, Jr., an engineer and an executive of National Theater Supply Company, and who was formerly with R. C. A., testified that he met Hollingshead in the Spring of 1932 when Hollingshead came to R. C. A. for sound equipment for his drive-in theatre (R., pp. 119-120), and that at that time Hollingshead disclosed to him his drive-in theatre construction.

Before meeting Hollingshead in 1932 Frank's experience had included surveying *several hundred* indoor theatres throughout the United States in 1928 and 1929 (R., p. 125), for R. C. A., to determine the best type of sound equipment to be put into each theatre, so that he was familiar with indoor theatre construction prior to meeting Hollingshead (R., pp. 120-121);—had seen and become familiar with hundreds of indoor theatre of all types, including the "stadium" type indoor motion-picture theatre house (R., pp. 120-121) exemplified by E. M. Loew's own Watertown Square Theatre relied upon by defendant.

Frank described the "stadium" type indoor theatre as "a theatre in which the seats are elevated on successive steps, but where in no case does anyone sit under anyone else. In other words, it is strictly speaking a one-floor theatre with elevated steps, in contrast to a balcony type theatre where certain portions of the audience sits on an elevated portion that overhangs another portion of the seating area" (R., p. 125).

When Hollingshead disclosed to him the drive-in theatre idea of the patent-in-suit, it was "certainly" *new* to Frank (R., p. 121) and Frank "thought it was *very ingenious*" (R., p. 121) and there was nothing in Frank's experience prior to this disclosure to him by Hollingshead, which ever suggested to him such a drive-in theatre construction;—such construction never occurred to Frank. At that time Frank was quite skeptical about whether Hollingshead's drive-in theatre would work (R., p. 121) and whether or not it would be a valuable contribution to motion picture exhibition, but he has since had an opportunity to know, of his own knowledge, that it was a valuable contribution (R., p. 121).

Frank's skepticism about Hollingshead's drive-in theatre construction (when it was first brought to his attention) was whether it would be possible to properly view a motion picture from both the front and rear seats of automobiles which were located in successive rows, one in back of the other, without obstruction (R., pp. 121-122).

On cross-examination Frank testified that he was skeptical about the ability of locating the automobiles in successive rows in relation to one another and in relation to the screen, in such a way that the entire area of the screen could be conveniently and easily viewed by people sitting in the front and rear seats of all the automobiles in the various rows (R., p. 122). Hollingshead had made clear to him how this problem was to be solved, but Frank "was from Missouri and wanted to be shown" (R., pp. 122-123).

From Hollingshead's explanation to him, it was quite clear to Frank how Hollingshead intended to do it, but

Frank didn't know whether or not it would work (R., p. 123).

Thus, Blumberg, Auger and Frank, who supervised and installed the picture-projection equipment and the sound equipment at Hollingshead's first drive-in theatre at Camden in the Spring of 1933, each regarded Hollingshead's drive-in theatre construction both new and ingenious and one not suggested (or rendered obvious) by either the "stadium" type indoor theatre or by the "airdrome" type outdoor theatre, and, indeed, with all their background and experience in the motion-picture industry, they were skeptical about the mechanical operability of the whole idea until they actually saw it work (see also pp. 21-25, *infra*).

Subsequent Public Acceptance and Commercial Success of the Hollingshead Invention

Hollingshead, after his initial unsuccessful efforts to promote the commercial exploitation of his invention, interested W. W. Smith (R., p. 77), and with the backing of Smith and a few other friends he, at last, built the first drive-in theatre in Camden, in the early part of 1933 (R., p. 77).

The Camden drive-in theatre was a practical success and was well received by the public (R., p. 77) and a checking of automobile license numbers showed that in the first season 70% of the business was repeat business, namely, people who, having been there one or more times before, came back for some more (R., p. 78).

The only reason for dismantling the Camden drive-in theatre in 1937 or 1938 (R., p. 81) was "because of bad pictures" (R., p. 106), that is, the film-distributors withheld the good pictures from the Camden drive-in theatres. At Union, N. J. (R., p. 81) "The same theatre is now operating with better pictures, and successfully" (R., p. 106).

Hollingshead also went to the R. C. A. Victor Company in Camden to interest them in furnishing sound equipment, and the R. C. A. engineers to whom he first disclosed this invention "received it as very interesting"

but as shown at pages 4 to 6, *supra,* Hollingshead was met with skepticism as to the feasibility of Hollingshead's drive-in theatre structure, and he *didn't get anywhere in his efforts to get R. C. A. "to put in some sound equipment at some very small cost, or practically nothing"* and in his efforts to get R. C. A. to "go along with him on the basis that if drive-in theatres were successful, R. C. A. would then have made a contribution toward an *additional market for their own products"* (R., p. 79). Hollingshead "finally got to Mr. Nicolas, vice-president of the company (R. C. A.)" and it was only Mr. Nicolas who finally agreed to let Hollingshead have some R. C. A. sound equipment, provided only that Hollingshead build his drive-in theatre within 50 miles of Camden, so that R. C. A.'s Engineering Department could keep a close lookout over it (R., pp. 79-80).

Hollingshead's Camden drive-in theatre was opened on or about May 19, 1933, and was deemed of sufficient news value to be the subject of substantial comment over the radio (R., pp. 81-82);—the principal trade magazines of motion picture exhibition industry also having picked up and publicized Hollingshead's Camden drive-in theatre directly upon its opening (R., pp. 82-83 and Plaintiff's Exhibit 10;—R., pp. 477-483 & 82).

At about the time he opened his Camden drive-in theatre in the early part of 1933, or just shortly thereafter, Hollingshead, in his effort to promote his drive-in theatre invention, went to New England to interview motion picture exhibitors there, as prospective licensees and, on this trip met E. M. Loew, defendant's president (R., p. 80) who was "quite interested" in Hollingshead's drive-in theatre invention and come down to Camden to see the theatre and *went over the whole theatre thoroughly* (R., p. 80). This was prior to the time defendant entered into the license agreement with plaintiff (R., p. 81).

The public-acceptance of Mr. Hollingshead's drive-in theatre idea was almost instantaneous after the first drive-in theatre was actually built in Camden in 1933 although

prior to that time the best-informed people in the industry turned it down (R., p. 76).

The Hollingshead drive-in theatre was so radically new and unheard of that when the Camden drive-in theatre was in process of construction, Lowell Thomas, the noted radio commentator, included a comment of considerable length in his broadcast of May 19, 1933 concerning this Camden drive-in theatre, saying, inter alia:

> "Did you ever hear of a theatre where you could drive right into the auditorium, sit in your car, and watch the show? Neither did I until today. According to the Film Daily of New York, down in Camden, New Jersey, they have what is said to be the first drive-in theatre in the world. It covers 250,00 square feet of ground on Admiral Wilson Boulevard. It will accommodate 400 cars with, I suppose, from three to ten people squeezed into each car and all the tanks filled with Blue Sunoco, I hope. Seven rows of inclined grades, sort of sloping terraces, will enable the occupants of each car to have a direct view of the motion picture screen." (R., p. 82)

Likewise the July 1, 1933 issue of the leading trade journal in the motion-picture exhibition industry, namely, the Motion Picture Herald, in its July 1, 1933 edition, devoted 4 pages to Mr. Hollingshead's Camden drive-in theatre, characterizing it, inter alia, as "the *unique* show park in Camden where patrons witness motion-picture entertainment from their automobiles";—further saying:

> "WHAT IS doubtless the first theatre designed so that patrons may witness the performance while remaining in the automobiles in which they have come, has been opened in Camden, N. J. It is indeed a theatre *unique*, a motor age experiment which may prove the idea *sensible* enough to warrant others like it. Then on a broader scale will be determined whether the public likes such theatres merely temporarily, as a

novelty or as a happy means of 'going to the movies'" (Ptf's Exh. 10;—R., pp. 477 & 82).

In its public advertisement in the August 1, 1937 issue of the Providence Sunday Journal (Ptf's Exh. 16;—R., pp. 497 & 144) *defendant said*:

"There's nothing new under the sun . . .
"But here's **something new** under the moon!
"E. M. Loew's Drive-In Theatre
"**Solves** the Family Evening Entertainment **Problem**
. . . Sit in Your Car and Enjoy a Screen Show

"A **new** and delightful experience awaits you at the Drive-In Theatre, Rhode Island's latest **contribution** to summer evening entertainment. Simply drive in, sit in your car . . . see and hear motion pictures in a delightful outdoor atmosphere.

"The 'Movie Motorist' has **many advantages** over his fellow film fans . . . dress as you please, wear any summer clothes . . . in the privacy of your car, smoke, laugh, talk without disturbing anyone . . . no parking worries, no walking, no waiting for seats."

"E. M. Loew's Drive-In Theatre is the **outstanding innovation in the amusement world**. Its outdoor screen is the largest in the country . . . assuming perfect visibility from any location . . . its controlled directional sound reproduces with mechanical perfection.

"A Hit With the Critic . . .!
"Offers a new aspect of enjoyment for theatregoers."
"Complete approval and **immediate acceptance** by fans."
"Sound Perfect, clear and loud . . **no interference from cars.**"

In the July 18, 1937 issue of the Providence Sunday Journal (Ptf's Exh. 17;—R., pp. 499 & 147) defendant's public advertisement said:

"Announcing the opening of **new, unique,** open-air
all-weather
E. M. Loew's Drive-In Theatre
Bring the family No Parking worries
Enjoy the movies from your car"
(all emphasis ours)

In the July 21, 1937 issue of the Providence Journal (Ptf's Exh. 18;—R., pp. 501 & 147) defendant's public advertisement said:

"Enjoy the show in your car Rain or shine, open-air
E. M. Loew's Drive-In Theatre
Chat, laugh, smoke, relax
No parking worries Great for the whole family
Come as you are in any clothes"

In the July 23, 1937 issue of *The Providence Journal* (Ptf's Exh. 19;—R., pp. 503 & 147) defendant said:

"An **Innovation in the Amusement Field!**
Acclaimed ON THE WEST COAST—
Cheered IN THE N. Y. METROPOLITAN AREA—
Critics Approve *Drive-In Theatre*
OUTDOOR FILMS WIN PRAISE
Drive-In Theatre Boon to Invalids
AND NOW . . . RHODE ISLAND WELCOMES ITS OWN
DRIVE-IN THEATRE
Sit in Your Car and Enjoy a Screen Show"

In the August 15, 1937 issue of the Providence Sunday Journal (Ptf's Exh. 20;—R., pp. 505 & 147) *defendant's* public advertisement *said:*

Acclaimed by the CRITICS . . . !

"Perfect Visibility and Sound'
—Star Tribune
"Genuine Novelty . . . Spectacular Success"
—Woonsocket Call
"Immediate and Enthusiastic Approval from the Public"
—Providence Visitor

"A New Aspect of Enjoyment to Film Fans"
—Attleboro (Mass) Sun
E. M. Loew's Drive-In Theatre"

The printed programs of the Weymouth drive-in theatre* showed a profile view (R., p. 543) of the drive-in theatre of the patent-in-suit (Figure 7 at R., p. 445) *to convince the public* that they could achieve visibility notwithstanding the cars ahead and the cars going in and out, and also had the following to say about the drive-in theatre (in Ptf's Exh. 32;—R., pp. 543 & 399):

"Drive-In Theatre
New England's First
Open Air Automobile Theatre
No Parking Troubles"

"Just drive right in, stay in your car, and enjoy our shows! Your car, parked in the theatre, offers all the advantages of a private box. Any type of dress is correct at the Drive-In Theatre, and you can smoke, converse and relax within your own car without the least disturbance to your neighbors in the audience."

"**Automobiles can enter and leave at any time.** To avoid undue disturbance, leave as quickly as possible. **Incoming and outgoing cars will in no way interfere with either sound or vision.** Last, but not least,—tell your friends about this **unique** theatre and get the regular Drive-In habit yourself."

Further testimony of men skilled in the motion-picture industry, as to Invention

Blumberg's testimony shows that Hollingshead's drive-in theatre structure was (in 1930-1932) not obvious to those skilled in the art, and Blumberg's testimony is particularly significant because prior to meeting Hol-

* Built by Joseph F. Buschini, who was a one-third owner and manager of defendant's Providence drive-in theatre when it was built and for some time after its opening.

lingshead and prior to having had disclosed to him Hollingshead's drive-in theatre structure, Blumberg had had experience both with the "airdrome" type outdoor motion-picture shows* (R., pp. 523-525) and also with the so-called "stadium" type indoor motion picture houses (R., pp. 527-528) so heavily relied upon by defendant[2] as allegedly "teaching" the drive-in theatre structure in suit.

Asked whether there is any relationship apparent to him between a "stadium" type indoor theatre and Hollingshead's drive-in theatre, Blumberg said that they are "different entirely" and that you cannot compare them (R., pp. 527-528). Asked whether the two are alike, Blumberg said that they are "much different" and that "you certainly couldn't put cars in a stadium type theatre" (R., p. 527).

Long prior to the disclosure to him of the Hollingshead drive-in theatre idea, in 1932, Auger had been familiar with outdoor motion-picture performances in which people just sat on benches on open ground and watched the screen, and Auger had also been familiar with what is known as "stadium" type indoor theatres, but these things never suggested to him a drive-in theatre like that of the patent-in-suit (R., p. 64), and when, in 1932, Hollingshead disclosed to him the drive-in theatre in 1932, of the patent-in-suit, it certainly struck him as an ingenious idea (R., p. 64).

See also Frank's testimony discussed on page 6, *supra*.

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* In which people just sit on benches or seats placed on a plane piece of ground.

[2] Schlanger's theatre constructions of DX-F at R., pp. 607-627 and DX-G at R., pp. 629-647 and DX-L at R., pp. 657-9 introduced through Schlanger at R., pp. 287 & 288 & 290; Hugo Pathe's theatre construction of DX-K at R., p. 655 introduced through Schlanger at R., p. 289; Togersen's theatre construction of DX-M at R., pp. 661-4 introduced through Schlanger at R., p. 293; Fowler's theatre construction of DX-O at R., pp. 667-679 introduced through Armington at R., p. 320; Taut's theatre construction of DX-P at R., pp. 681-2 introduced through Armington at R., p. 321; and Loew's Watertown Square Theatre construction introduced through Stern at R., pp. 186-8, Breton at R., pp. 188-190, McConville at R., pp. 227-230 and DX-C at R., p. 229, and Loew at R., pp. 249 & 256-257.

To like effect is the testimony of witnesses O'Donnell, Ezell, Underwood and Fay (referred to more fully hereinbelow), each of whom has had long and varied experience in the motion-picture industry, and, indeed, even one of the defendant's organizers and half-owners and officers* testified to the same effect on his direct examination as a witness called on behalf of defendant.

Thus, O'Donnell, vice president and general manager of a company which owns and operates a chain of 168 conventional theatres, and who has been in the exhibition field since 1903 and in the motion-picture exhibition field since 1917, regarded the Hollingshead drive-in theatre novel (R., pp. 31-32) and as "a different idea of presenting motion-pictures" (R., p. 33) and while at first skeptical about the whole idea, he finally "realized that it was practical" (R., pp. 34-35), and further testified that it was very definitely an *ingenious* idea (R., p. 35).

O'Donnell also had prior experience with outdoor motion-picture exhibition, as far back as 1912 (R., p. 35), when he operated (in Newburg, N. Y.) what was then commonly called an "airdrome", where they just set benches out on a vacant lot and projected a motion-picture onto a screen in front of the benches (R., p. 35). O'Donnell also operated such "airdromes" in Texas as late as 1929, but such "airdromes" were never very successful (R., pp. 35-36).

These "airdromes" did not suggest to O'Donnell the drive-in theatre of the patent-in-suit (R., p. 36).

O'Donnell was not only familiar with, but, indeed, had operated several of the so-called "stadium" type indoor motion-picture theatres (R., pp. 36-37), upon which the defendant relied as "prior-art"[2] to invalidate the patent-in-suit. O'Donnell explained what this "stadium" type theatre is, and then further testified that such "stadium" type theatre never suggested to him the drive-in theatre construction such as is involved in this

* Peter Laudati (see p. 16-17, *infra*).

[2] See footnote 2 on foregoing page 13.

suit, and that there is no similarity whatever between the "stadium" type theatre and the drive-in theatre of the patent-in-suit (R., pp. 36-37).

O'Donnell's company (Interstate Theatre Circuit) also had experience with drive-in theatres of the patent-in-suit (R., p. 37), and O'Donnell pointed out many advantages of the drive-in theatre over the conventional indoor motion-picture theatres (R., pp. 37-39).

On cross-examination, O'Donnell testified that the structural features that impressed him as something contributed by the patent-in-suit (R., pp. 41-42) and which made it seem to him "like it was the solution to giving an open air show" (R., p. 42) were the arrangement of ramps, whereby hundreds of cars over a large area could quickly get in and out and so that each car would have clear sight lines, so that the occupants would not have to lean out of the windows, and that without these structural features of the drive-in theatre of the patent-in-suit

> "you would have to have one head out of the window here, and one head out of the window there, and you would have to do almost everything of an acrobatic nature to see the screen" (R., p. 42).

Mr. Claude C. Ezell, a member of the firm of Underwood & Ezell, owners and operators of a chain of conventional indoor motion-picture theatres, and who has been in the motion-picture business for the past 40 years, (R., pp. 46-47) testified that neither the "airdrome" type outdoor show nor the "stadium" type indoor motion-picture house ever suggested to him the drive-in theatre of the patent-in-suit (R., p. 48) and that, based upon his experience and familiarity with motion-picture theatres, it was new, in 1933, to create a drive-in theatre structure such as the patent-in-suit (R., pp. 48-49) and that such drive-in theatre construction was ingenious (R., p. 49 & 51).

On further cross-examination, Mr. Ezell reiterated (R., p. 52) that the drive-in theatre of the patent-in-suit

never occurred to him before, although he "would like very much to have thought of it", and that to him it was

> "a completely new idea of giving entertainment to people who could not ordinarily go to the theatre".

Mr. William G. Underwood, who has been in the motion-picture business since 1903, in all capacities from door-boy to theatre-operator;—as film salesman, film owner, and film-exchange manager, and who is now a theatre owner, operating a number of theatres (R., p. 55) testified that he was familiar with the "airdrome" type outdoor motion-picture show and that he owned one at Amarillo (Texas) in 1909 (R., p. 55). Mr. Underwood testified that when Mr. Hollingshead's drive-in theatre first came to his attention he

> "considered it very unique and saw great possibilities for it from an entertainment point of view" (R., pp. 55-56);

in that it gave opportunity for invalids and cripples and families with small children to see a motion-picture show (R., p. 56), and that he considered the Hollingshead drive-in theatre *ingenious* (R., p. 56).

Mr. Edward M. Fay, a motion-picture owner and operator, in Providence, Rhode Island, who has been in the theatre business for about 50 years, testified that he is familiar with drive-in theatres although he does not own or operate any drive-in theatres, and that when he first became familiar with what is now referred to as a "drive-in theatre" it was a new idea and that he regarded it as *ingenious* (R., p. 72) and that he regarded it as a *beneficial contribution* to the art of exhibition of motion-pictures (R., p. 72).

Indeed, Peter Laudati, who is the half-owner and treasurer of the defendant corporation, when asked on direct examination, as a witness called on behalf of the defendant:

"do you consider the alleged invention in the Hollingshead patent ingenious?"

replied:

"I don't know if I should call it ingenious. It is a fair idea, but I don't think it is absolutely a big success."

When again asked by defendant's counsel: "You call it a fair idea?", Mr. Laudati replied: "That is right" (R., p. 185).

Thus, the testimony of Blumberg, Auger, Frank, O'Donnell, Ezell, Underwood, Fay and Laudati (pages 12 to 16, *supra*), as well as the testimony of Kenerson (R., pp. 342-349) who has had much experience and frequent occasion to study and appraise, from an engineering and practical viewpoint, the presence or absence of inventive ingenuity and novelty in patents, is likewise to the effect that Hollingshead's drive-in theatre was both new and *inventive*.

There was therefore substantial credible evidence, that to those skilled in the art, and, indeed, to defendant's own officer and part-owner, Hollingshead's drive-in theatre was new, useful and ingenious and a valuable contribution to the art of motion-picture exhibition and public entertainment and that such drive-in theatre was not suggested by either the "stadium" type or the "balcony" type conventional indoor motion-picture house nor by the "airdrome" type outdoor motion-picture show in which people were seated on benches on flat ground.

To those skilled in the art, including the defendant, the drive-in theatre of the patent-in-suit represents something new and valuable, is further attested by Mr. Loew's building or acquisition, one after another, of 7 different drive-in theatres, 2 of them (Providence and Miami) initially under license from plaintiff and 5 others in infringement of the patent (R., p. 358).

Patent-Defense Chart

For the greater convenience of the Court, there is also attached to the end of this brief a *Chart* summarizing all the patent defenses and contentions of unpatentability or invalidity relied on, pleaded, noticed, moved or urged, and adopted, rejected or sustained or considered in respect to the Hollingshead drive-in theatre of the patent here in suit and in respect to said patent;—this Chart also showing at which stage of the various proceedings each such defense or contention was pleaded or noticed or made the basis of a motion or urged, and adopted, rejected, sustained, considered (or not relied on).

Specification of Errors

The *reasons* (1 to 9, inclusive) *for the allowance of Writ of Certiorari* are set out on pages 15 to 24, inclusive, of the *Petition*.

Summary of Argument

(corresponding to the similarly numbered Reasons Relied on for the Allowance of Writ of Certiorari, contained in the Petition for Writ of Certiorari)

1) The reversing decision of the Court of Appeals for the 1st Circuit, in the case at bar, is in threefold conflict with the decision of the Court of Appeals for the 9th Circuit on the same matter (namely, the Hollingshead patent here in suit) in the case of *Park-In Theatres, Inc.* v. *M. A. Rogers et al*, 130 F. 2d 745, 747-8 (CCA-9),

1-A) in that the Court of Appeals for the 1st Circuit, in the case at bar, reversed the trial court's fact-finding of invention and held the patent-in-suit invalid for lack of invention appearing on its face

(that is, without reliance upon any prior patents, publications or use of record,

and in disregard of all evidence fortifying the legal presumption of invention inherent in the granting of the patent),

whereas the Court of Appeals for the 9th Circuit in *Park-In Theatres, Inc.* v. *Rogers et al, supra,* reversed the District Court's ruling (on summary judgment), which had held the Hollingshead patent in suit invalid, inter alia, for lack of invention on its face,

and

1-B) in that the Court of Appeals for the 1st Circuit, in the case at bar, held that Hollingshead's idea or *conception** of the drive-in theatre of the patent-in-suit could *not* involve the exercise of the inventive faculty (R., p. 775-6)

whereas the Court of Appeals for the 9th Circuit in *Park-In* v. *M. A. Rogers, et al, supra,* held that Hollingshead's *conception* of the drive-in theatre of the patent-in-suit *could* involve the exercise of the inventive faculty (130 F. 2d 748),

and

1-C) in that the Court of Appeals for the 1st Circuit in the case at bar, held "beside the point" (R., p. 776), that is, irrelevant and inadmissible, all the testimony and evidence introduced by plaintiff (petitioner) in support of invention in the Hollingshead patent in suit

whereas the Court of Appeals for the 9th Circuit in *Park-In* v. *M. A. Rogers et al, supra,* held that plaintiff (petitioner at bar, had the right to fortify the presumption of validity of

* As distinguished from the physical means subsequently devised by Hollingshead to embody the idea or conception.

the Hollingshead patent in suit by offering evidence of invention for consideration by the trial court and by the appellate court.

2) In the absence of clear, cogent and convincing evidence to the contrary (upon some defense pleaded or noticed) the Court of Appeals should not have held the patent invalid for lack of invention, in view of the *legal presumption attaching to the grant of Letters Patent of the United States that the subject-matter of the patent involved the exercise of the inventive faculties* (*even without regard* for the trial court's fact-finding of invention and *even without regard* for the evidence, introduced by plaintiff, fortifying the legal presumption of invention inherent in the granting of the patent and supporting the trial-court's fact-finding of invention).

3) Whether or not it involved the exercise of the inventive faculties to have conceived and to have brought into being the drive-in theatre defined by the claims of the patent in suit, was a fact-question on which *the findings of fact of the trial court should not have been set aside by the appellate court in the complete absence of any prior patent or publication showing or suggesting any* drive-in theatre and in the face of substantial credible evidence supporting the trial court's fact-finding of invention.

4) *Patentability can be based,* at least in part, *upon the ingeniousness of the new concept or idea,* and is not limited solely to the ingenuity needed in making a device which is a physical embodiment of the new concept or idea (once the concept or idea has been supplied by the patentee).

5) Evidence of the initial skepticism of those skilled in the motion picture industry, of the subsequent recognition and acceptance of the invention, in the field, of the outstanding commercial success and great value of the

drive-in theatre of the patent-in-suit, and the testimony of those skilled in the motion picture industry that the drive-in theatre of the patent-in-suit was ingenious, all constituted *evidence of invention supporting the trial court's fact-finding of invention,* which is *not to be disregarded.*

6) The *length of time intervening conception and reduction to practice, is not determinative of whether the subject matter did or did not involve the exercise of the inventive faculties,* as patentability may be, at least in part, in the *flash* of creative genius as distinguished from the subsequent (short or long) effort required to make a physical embodiment of the inventive concept or idea, and even if the length of time is one of the elements which may be considered, then the time-interval (between conception and reduction to practice) in the case at bar was not so short as to negative invention.

7) *It is never incumbent upon a plaintiff-patentee to show any prior unsuccessful efforts of others,* and this is applicable, a fortiori, in the case at bar, since defendant's affirmative pleading (in its Answer) that others prior to the patentee had diligently tried to adopt and perfect the drive-in theatre of the patent in suit, constituted such *judicial admission* as to obviate the necessity of proof.

8) Where, as here, the claimed invention covers a combination of elements, the *test of patentability is* primarily *the novelty and ingeniousness of the claimed combination* and not the novelty of the elements per se.

9) By its reversing *decision,* the Court of Appeals for the First Circuit *deprived plaintiff of its property without due process, because* the Court's reversing decision

a) is based upon defenses not pleaded, noticed, urged or considered in the trial court, and

b) is based upon defenses or grounds not assigned or specified in by defendant-appellant's Statement of Points under Rule 75-d of the Federal Rules of Civil Procedure.

Argument

ARGUMENT—POINT 1: The reversing decision of the Court of Appeals for the 1st Circuit in the case at bar is in conflict with the decision of the Court of Appeals for the 9th Circuit on the same matter.

Summary of Point 1-A: The reversing decision of the Court of Appeals for the 1st Circuit, in the case at bar, is in conflict with the decision of the Court of Appeals for the 9th Circuit on the same matter (namely, the Hollingshead patent here in suit) in the case of *Park-In Theatres, Inc.* v. *M. A. Rogers et al*, 130 F. 2d 745, 747-8 (CCA-9),

> in that the Court of Appeals for the 1st Circuit, in the case at bar, reversed the trial court's fact-finding of invention and held the patent-in-suit invalid for lack of invention on its face
>
> > (that is, without reliance upon any prior patents, publications or use of record, and in disregard of all evidence fortifying the legal presumption of invention inherent in the granting of the patent),
>
> whereas the Court of Appeals for the 9th Circuit in *Park-In Theatres, Inc.* v. *Rogers et al, supra,* reversed the District Court's ruling (on summary judgment), which had held the Hollingshead patent in suit invalid, inter alia, for lack of invention on its face.

Argument of Point 1-A

In the case at bar, the Court of Appeals for the First Circuit set aside or overruled the trial Court's fact-finding of invention and held that the Hollingshead patent-in-suit is "invalid for lack of invention" (R., p. 772).

However, nowhere in its Opinion (R., p. 773-780) does the Court refer to a *single* prior patent or publication or use (of which a number were cited and relied on

by defendant and considered by the trial court, as shown in the *patent-defense Chart*) so that, necessarily, the decision of the Court of Appeals for the First Circuit in the case at bar, amounts to a holding that the Hollingshead patent-in-suit is invalid on its face (and without regard to any specific prior-art).

The case of *Park-In Theatres, Inc.* v. *M. A. Rogers et al, supra,* involved an action brought by plaintiff (petitioner at bar) for infringement of the same Hollingshead patent 1,909,537 here in suit. Defendant *Rogers* had filed a motion* for summary judgment wherein he contended:

> "That the patent sued on by plaintiff herein is invalid on its face for
>
> (*a*) want of patentable subject matter
> (*b*) want of patentable combination (aggregagation)
> (*c*) *want of invention*
> (*d*) undue multiplicity of claims."

In granting the motion for summary judgment, the District Court made the following rulings with respect to *ground (c):*

> "that the same (that is the drive-in theatre of the patent) does not constitute a patentable improvement within the meaning of the provisions of Title 35 U. S. C. A., Section 31"[2]

and

> "3. The patent in suit, No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14, and 15 is invalid in law because *the subject matter* thereof *does not constitute* a patentable *invention* or improvement within the meaning of 35 U. S. C. A. Section 31."[3]

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* Reproduced in *Appendix B* hereto.

[2] See the District Court's *Memorandum of Conclusions,* reproduced as *Appendix C* hereto, lines 12 to 14.

[3] See the District Court's *Conclusions of Law* reproduced as *Appendix D* hereto, page 1d, lines 8 to 12.

Plaintiff (petitioner at bar) took an appeal from this summary judgment and assigned as one of its reasons for appeal, the District Court's above-quoted holding of want of invention.*

The Court of Appeals for the Ninth Circuit, in its decision referred to above, reversed the action of the District Court, stating, inter alia:

(footnotes supplied)

> "The issuance of the patent is presumptive evidence of invention and patentability. The presumption is so strong that in the event of a reasonable doubt as to patentability or invention that doubt must be resolved in favor of the validity of the patent. *Mumm* v. *Jacob E. Decker & Sons,* 301 U.S. 168, 171, 57 S. Ct. 675, 81 L. Ed. 983. See also *Frank* v. *Western Electric Co.,* 2 Cir., 24 F. 2d 642, 645. The lower court confines[2] its conclusions to the proposition that the theatre was not a patentable subject and, consequently, did not consider[3] the questions of invention, utility, etc. Upon the latter issues the patentee has the right to fortify *the presumption of validity of the patent by proof of matters tending to show that the conception of the patentee involved invention and utility.*
>
> "The appellee suggests that if the decree of the lower court can be sustained on any ground[4] going to the insufficiency of the complaint the judgment should be affirmed. This position cannot be sustained because neither the court below nor this court had the advantage of such additional light[3] as is permissible in a patent case upon the questions of invention,

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* See the *Concise Statement* under Rule 19(6), reproduced as *Appendix E* hereto, *Point IV,* page 1e, lines 16 to 21.

[2] See the above quotations from the Memorandum of Conclusions and from the Conclusions of Law of the District Court in *Park-In* v. *Rogers.*

[3] i. e., *on evidence* tending to fortify the legal presumptions of invention, priority, utility, etc., inherent in the grant of the Hollingshead patent.

[4] i e., "want of invention on the face of the patent", which was "ground c" of the Motion for Summary Judgment in *Park-In* v. *Rogers* (*Appendix B,* page 1b, lines 13 & 16).

priority, etc. For that reason we ~~reserve~~ reverse the decision without doing more than to hold that the structure in question is within a patentable classification. We return the case to the district court for a trial of the case and a decision not inconsistent with the above determination of this court" (130 F. 2d 747-8).

It is clear from the above-quoted statements *and from its reversal of the District Court's summary judgment which had been based, inter alia, upon the (independent) ground of "want of invention on the face of the patent"*, that the Court of Appeals for the Ninth Circuit also explicitly directed the District Court to receive and consider evidence of invention, priority, utility, etc. (which plaintiff has the right to introduce, to fortify the presumption of validity inherent in the granting of the patent) and precluded the District Court from holding the patent invalid on the ground of "want of invention on its face", relied on by defendant *Rogers* on his Motion for Summary Judgment* (*Appendix B*, hereto) and sustained by that District Court in its Memorandum (*Appendix C*) and in its Conclusions of Law (*Appendix D*).

In other words, the decision of the Court of Appeals for the Ninth Circuit clearly was to the effect that the Hollingshead patent-in-suit *cannot* be held invalid *on its face* for "want of invention" or on any other ground.

It is apparent, therefore, that the decision of the Court of Appeals for the First Circuit, in the case at bar, is in *direct conflict* with the decision of the Court of Appeals for the Ninth Circuit in *Park-In Theatres, Inc.* v. *M. A. Rogers et al, supra*, insofar as the 1st Circuit holds the patent-in-suit invalid on its face (namely without reliance upon any "prior-art" of record and in disregard[2] of all evidence fortifying the legal presumption of invention inherent in the granting of the patent).

* This same ground was also relied on by defendant at bar on its Motion for Summary Judgment (R., p. 13) which it *withdrew* at the hearing thereon (R., pp. 16-17) and thereafter *never* re-asserted. The Court of Appeals for the 1st Circuit adopted this same ground of invalidity as the basis of its reversal of the trial court's fact-finding of invention.

[2] R., p. 776, line 10.

Summary of Point 1-B: The reversing decision of the Court of Appeals for the 1st Circuit, in the case at bar, is in conflict with the decision of the Court of Appeals for the 9th Circuit on the same matter (namely, the Hollingshead patent here in suit) in the case of *Park-In Theatres, Inc.* v. *M. A. Rogers*, 130 F. 2d 745, 748 (CCA-9),

> in that the court of Appeals for the 1st Circuit, in the case at bar, held that Hollingshead's idea or conception* of the drive-in theatre of the patent-in-suit could not involve the exercise of the inventive faculty (R., p. 775-6)
>
> whereas the Court of Appeals for the 9th Circuit in *Park-In Theatres, Inc.* v. *M. A. Rogers et al, supra*, held that Hollingshead's *conception** could involve the exercise of the inventive faculty (130 F. 2d 748).

Argument of Point 1-B

In the case at bar, the Court of Appeals for the 1st Circuit based its decision, in large part, upon the theory that Hollingshead's idea or conception of the drive-in theatre of the patent-in-suit could *not* be considered in deciding the question of invention and that, instead, Hollingshead's patent in suit could be held valid only if invention were found in the physical means subsequently devised by Hollingshead for embodying his original idea or conception;—as evidenced by the following statements taken from the Court's Opinion:

> "The basic question in this case, as we see it, is whether, given the idea or conception of an open-air drive-in theatre, an exercise of the inventive faculty was required to devise the means for carrying it out." (R., p. 775, lines 18-21)
>
> . . . . . .

* As distinguished from the physical means subsequently devised by Hollingshead to embody the idea or conception.

"For we are not here called upon to deal with the novelty, usefulness or commercial success of the outdoor drive-in theatre as an idea, or as a system for transacting business, but with 'the mechanical means or instrumentalities' . . . 'by which it [the idea or system] may be made practically useful' . . . to which means we now turn our attention." (R., p. 776, lines 20-27)

The Court of Appeals for the 9th Circuit in *Park-in Theatres, Inc.* v. *M. A. Rogers et al, supra,* held, on the other hand, that invention *could* be shown to reside in Hollingshead's mental *concept* of the drive-in theatre of the patent-in-suit;—as evidenced by the following statement from that Court's Opinion:

"Upon the latter issues,* the patentee has the *right* to fortify the presumption of validity of the patent[2] by proof of matters tending to show that the *conception* of the patentee *involved invention* and utility."

Here is another clear conflict between the Court of Appeal for the 1st Circuit and for the 9th Circuit on the same matter, namely Hollingshead patent 1,909,537, here in suit.

As will be brought out hereinbelow under *Argument Point 4*, the great weight of authority, as shown by the decisions of this Court and of other Federal Courts, supports the view taken by the Court of Appeals for the 9th Circuit (namely that invention *can* reside, at least in part, in the mental concept or idea forming the basis of a machine, manufacture etc. covered by a patent) rather than the view taken by the Court of Appeals for the 1st Circuit, in the case at bar.

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* Namely, the issues or "questions of invention, utility, etc."

[2] Namely, Hollingshead patent 1,909,537 here in suit.

Summary of Point 1-C: The reversing decision of the Court of Appeals for the 1st Circuit, in the case at bar, is in conflict with the decision of the Court of Appeals for the 9th Circuit on the same matter (namely, the Hollingshead patent here in suit) in the case of *Park-In Theatres, Inc.* v. *M. A. Rogers*, 130 F. 2d 745, 748 (CCA-9),

> in that the Court of Appeals for the 1st Circuit in the case at bar, held "beside the point" (R., p. 776), that is, irrelevant and inadmissible, all the testimony and evidence introduced by plaintiff (petitioner) in support of invention in the Hollingshead patent in suit
>
> whereas the Court of Appeals for the 9th Circuit in *Park-In* v. *M. A. Rogers et al, supra*, held that plaintiff (petitioner at bar) had the right to fortify the presumption of validity of the Hollingshead patent in suit by offering evidence of invention for consideration by the trial court and by the appellate court.

Argument of Point 1-C

In the case at bar, the Court of Appeals for the 1st Circuit held to be "beside the point" (that is, irrelevant and inadmissible) the expert testimony and other evidence presented on behalf of plaintiff in the District Court (upon which the District Court's fact-findings of invention were based) fortifying the presumption of invention inherent in the granting of the Hollingshead patent in suit;—the Court stating:

> "Application of this principle renders *beside the point* the District Court's finding, based upon evidence given by motion picture exhibitors testifying as experts 'that the drive-in theatre is "ingenious", "practical", "a good business investment", "a completely new idea of giving entertainment to people who could not ordinarily go to the theatre", and "is

> a beneficial contribution to the art of exhibition of motion pictures'' '. And similarly it renders beside the point the further finding, based upon the defendant's advertising, that its theatre met with '''immediate and enthusiastic approval from the public'' '.'' (R., p. 776, lines 10-20)

It should be kept in mind that the testimony and other evidence mentioned in the above-quoted statement from the appellate Opinion, all referred to the drive-in theatre construction of Hollingshead's patent in suit, and did *not* refer to the attractiveness, commercial success, etc. of an abstract idea.

None of the many witnesses (including defendant's officer Laudati), nor defendant's counsel (in questioning witnesses or in argument or in brief in the trial court) ever intimated that the testimony which they were giving or eliciting (or that the exhibits) bearing upon the initial skepticism of the motion-picture industry and the subsequent acceptance and commercial success and bearing upon ingenuity, related to anything other than the drive-in theatre construction of the patent-in-suit.

The Court of Appeals for the 9th Circuit in *Park-In Theatres* v. *M. A. Rogers et al, supra,* held, on the other hand, that

> ''Upon the latter issues* the patentee has a *right* to fortify the presumption of validity of the patent by *proof of matters tending to show that the conception* of the patentee *involved invention* and utility
>
> . . . . . .
>
> ''neither the court below nor this court had the advantage of such *additional light* as is permissible in a patent case *upon the questions of invention,* priority, etc.'' (130 F. 2d 748)

Therefore, there is a further direct conflict between the Court of Appeals for the 1st Circuit in the case at

* Namely, the issues or "questions of invention, utility, etc."

bar and the Court of Appeals for the 9th Circuit, on the same matter, namely the Hollingshead patent here in suit, on the question of whether the legal *presumption of invention* inherent in the granting of the Hollingshead patent can or cannot be fortified by evidence tending to show novelty, commercial success and public acceptance, adoption by the industry, and all the other usual criteria which are ordinarily weighed in the determination of whether or not the subject matter of a patent constitutes a true patentable invention.

As pointed out hereinbelow under *Argument Point 5*, the great weight of authority, as evidenced by the decisions of this Court and of other Federal courts, supports the view of the 9th Circuit and *not* that of the 1st Circuit in the case at bar, and the great weight authority is that such evidence *is* admissible and should be considered by the trial court in making its fact-finding on the question of invention.

Conclusion on Argument-Point 1

It is submitted, therefore, that the decision of the Court of Appeals for the 1st Circuit in the case at bar is in such conflict with the decision of the Court of Appeals for the 9th Circuit in *Park-In Theatres, Inc.* v. *M. A. Rogers et al, supra*, on the same matter (namely the Hollingshead patent 1,909,537 here in suit) on each of the *three* points (A, B & C) above set forth, as justifies the exercise of this Court's discretion in granting a review on writ of certiorari under the provisions of Section 5(b) of Rule 38 of the Rules of this Court.

ARGUMENT OF POINT 2: The legal presumption attaches to the grant of Letters Patent of the United States, that the subject matter thereof involved the exercise of the inventive faculties.

Summary: In the absence of clear, cogent and convincing evidence to the contrary (upon some defense pleaded or

noticed), the Court of Appeals should not have held that patent invalid for lack of invention, in view of the *legal presumption attaching to the grant of Letters Patent of the United States that the subject-matter of the patent involved in the exercise of the inventive faculties (even without regard* for the trial Court's fact-finding of invention and even *without regard* for the evidence, introduced by plaintiff, fortifying the legal presumption of invention inherent in the granting of the patent and supporting the trial court's fact-finding of invention).

It is submitted that the decision of the Court of Appeals for the First Circuit, with respect to which certiorari is here sought, was clearly in error in holding the patent-in-suit invalid for lack of invention on its face (i. e. without reliance upon any of the prior patents and publications and alleged prior-use pleaded and introduced in evidence) in view of the *presumption inherent in the grant of United States Letters Patent that the subject matter of the patent involved the exercise of the inventive faculties* and is patentable, and, in so holding, the Court of Appeals has so far departed from the usual and accepted course of judicial proceedings as to call for the exercise of this Court's power of supervision.

It is further submitted that where, as here, this *presumption of validity* is strengthened by a *fact-finding* of the trial Court to the effect that the patent-in-suit involved invention, is valid and represents a patentable advance over the "prior-art" relied on, it constitutes reversible error and a departure from the usual and accepted course of judicial proceedings, for the Court of Appeals to hold the patent invalid for want of invention without reliance on any of the prior-art of record and in disregard* of all evidence supporting the trial court's fact-finding of invention, and in the complete absence of any *evidence of record* to support the conclusion of the Court of Appeals.

* Opinion at R., p. 776, lines 10 to 20.

As stated by this Court in an Opinion written by the late Mr. Chief Justice Hughes, in the leading case of *Mumm* v. *Decker,* 301 U.S. 168, 171 (81 L. Ed. 983, 985):

> "In a suit for infringement of a patent it is not a part of the plaintiff's case to negative prior publication or prior use or the other matters to which Rev. Stat. §§ 4886 and 4887 refer. These are matters of affirmative defense. As this Court said in Cantrell *v.* Wallick, 117 U.S. 689, 695, 696, 29 L. Ed. 1017, 1019, 6 S. Ct. 970: 'For the grant of letters patent is prima facie evidence that the patentee is the first inventor of the device described in the letters patent and of its novelty. Smith *v.* Goodyear Dental Vulcanite Co., 93 U.S. 486, 23 L. Ed. 952; Lehnbeuter *v.* Holthaus, 105 U.S. 94, 26 L. Ed. 939.' The issue of the patent is enough to show, until the contrary appears, that all the conditions under which a discovery is patentable in accordance with the statutes have been met. Hence, the burden of proving want of novelty is upon him avers it. Walker, Patents, §116. Not only is the burden to make good this defense upon the party setting it up, but this burden is a heavy one, as it has been held that 'every reasonable doubt should be resolved against him'."

To like effect are the following decision of this Court:

Cantrell v. *Wallick,* 117 U.S. 689, 690-6; 29 L. Ed. 1017, 1019;

Smith v. *Goodyear Dental Vulcanite Co.,* 93 U.S. 486; 23 L. Ed. 952, 955;

Lehnbeuter v. *Holthaus,* 105 U.S. 94; 26 L. Ed. 939, 940;

Coffin v. *Ogden,* 85 U.S. 120; 21 L. Ed. 821, 823;

Washburn & Moen Mfg. Co. v. *Beat 'Em All Barbed Wire Co.,* 143 U.S. 275; 36 L. Ed. 154, 158-9;

Adamson v. *Gilliland,* 242 U.S. 350, 353; 61 L. Ed. 356, 357-8.

In the case of *Park-In Theatres, Inc.* v. *Rogers,* 130 F. 2d 745, 747 (CCA-9), the Court of Appeals for the Ninth Circuit made a similar ruling with respect to the matter here involved (namely patent 1,909,537 here in suit) when it stated:

> "The issuance of the patent is presumptive evidence of invention and patentability. The presumption is so strong that in the event of a reasonable doubt as to patentability or invention that doubt must be resolved in favor of the validity of the patent." (Citing this Court's decision in *Mumm* v. *Decker, supra.*)

Other Courts of Appeal have applied this rule in the following cases:

> *Lincoln Stores* v. *Nashua Mfg. Co.,* 157 F. 2d 154, 163 (CCA-1); certiorari denied 329 U.S. 811;
> *Bianchi* v. *Barili,* 168 F. 2d 793, 795 (CCA-9);
> *General Motors Corp.* v. *Kesling,* 164 F. 2d 823, 827 (CCA-8), certiorari denied 333 U. S. 855;
> *National Slug Rejectors* v. *A. B. T. Mfg. Corp.,* 164 F. 2d 333, 338-9 (CCA-7), certiorari denied 333 U.S. 832.

The opinion of the Court of Appeals for the First Circuit, in the case at bar, completely ignored the presumption of validity inherent in the grant of the patent in suit and held that the District Court's fact-finding of invention and all evidence supporting such fact-finding were "beside the point" (R., p. 776, line 10).

The Opinion posed as the "basic question in this case . . . whether, given the idea or conception of an open-air drive-in theatre, an exercise of the inventive faculty was required to devise the means for carrying it out" (R., p. 775).

In answering this question in the negative, the Court of Appeals did not cite a single one of the "prior-art" references pleaded, noticed and introduced in evidence and, instead, merely concluded that there was "nothing

inventive" in *separately* devising each of the individual elements called for by the claims (R., pp. 776-9) which define a *combination** of these elements.

Thus, it is clear that the Court of Appeals itself attempted to act as the trier of the facts and that its conclusion of non-invention was based solely on its *own* opinion, in complete disregard of the fact-findings of the trial Court and of all evidence supporting such fact-findings as well as in disregard of the *presumption inherent in the granting of the patent in suit that the drive-in theatre defined by the claims of the patent in suit involved the exercise of the inventive faculties.*

If the decision of the Court of Appeals for the First Circuit in the case at bar is sound, then an infringer is no longer under any obligation to establish invalidity as an affirmative defense (by evidence sufficiently clear and convincing to overcome the presumption of validity inherent in the grant of a United States patent) and the principles well stated by this Court in *Mumm* v. *Decker*, supra, are no longer binding upon District Courts or Courts of Appeal, in their conduct or consideration of patent cases.

The decision, in respect to which certiorari is here sought, is therefore unalterably in conflict with the principles laid down in the cases discussed above and, we submit, represents a clear case of reversible error and so far departs from the usual and accepted course of judicial proceedings, to call for the exercise of this Court's power of supervision.

ARGUMENT OF POINT 3: Invention is a question of fact on which the trial court's fact-findings should not be disturbed on appeal.

Summary: Whether or not it involved the exercise of the inventive faculties to have conceived and to have brought into being the drive-in theatre defined by the claims of the patent-in-suit, was a fact-question on which the findings

* See *Argument-Point 8*, hereinbelow, on the question of whether invention can reside in a new combination of old elements.

of fact of the trial Court should not be set aside by an appellate court (especially in the complete absence of any prior patent or publication showing or suggesting the invention of the patent-in-suit).

Rule 52-a of the Federal Rules of Civil Procedure provide as follows:

"Rule 52. Findings by the Court.

(a) Effect. In all actions tried upon the facts without a jury . . ., the court shall find the facts specially and state separately its conclusions of law thereon and direct the entry of the appropriate judgment . . . Findings of fact *shall not* be set aside unless clearly erroneous, and due regard *shall* be given to the opportunity of the trial court to judge of the credibility of the witnesses."

As pointed out hereinabove, the decision of the Court of Appeals for the First Circuit, in the case at bar, held the patent-in-suit invalid solely on the Court's own personal opinion that the various elements making up the claims of the patent, *separately,* did not involve the exercise of the inventive faculty, without regard for any of the prior-art cited in the Answer and in utter disregard (R., p. 776) of the District Court's fact-findings (based upon substantial evidence) that the drive-in theatre defined by the claims of the patent-in-suit did involve the exercise of the inventive faculties.

It is submitted that the Court of Appeals' action constituted reversible error in view of the well-settled principle that the findings of fact of the trial court (based upon its personal and first-hand knowledge of the testimony and other evidence adduced at the trial and its opportunity to judge the credibility of the witnesses) should not be set aside by an appellate court in the absence of clear and unmistakable error.

Thus, in *United States* v. *Esnault-Pelterie,* 303 U.S. 26, 29-31, 82 L. Ed. 625, 628-9, this Court made the following pertinent statements (which, though referring to fact-findings made by the Court of Claims, are equally

applicable to fact-findings made in a patent-infringement suit in a District Court):

> "In a patent case . . . the questions of validity and infringement are questions of fact. We have said that, for the purposes of our review in such a case, the findings . . . 'are to be treated like the verdict of a jury, and we are not at liberty to refer to the evidence, anymore than to the opinion, for the purpose of eking out, controlling, or modifying their scope.' (Citing cases.)
>
> . . . . . .
>
> "We should not be justified in taking up the patents set forth in the findings and, in the absence of the explanatory and construing testimony of the expert witnesses with respect to the pertinent fact situations, in attempting to pass upon the various questions, whether of a scientific nature or otherwise, that are involved and upon such a necessarily limited consideration in overruling the conclusions of fact reached by the Court of Claims upon the entire record."

In its most recent decision, this Court has reaffirmed this principle, in *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U.S. 271 (93 L. Ed. 492, 496), holding:

> "A court of law such as this Court is, rather than a court for correction of errors in fact finding, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error. (Citing cases.)"

See also to like effect:

Goodyear Tire & Rubber Co. v. *Ray-O-Vac Co.*, 321 U.S. 275, 278;

Williams Mfg. Co. v. *United Shoe Machinery Corp.*, 316 U.S. 364, 367; 86 L. Ed. 1637, 1641;

Thomson Spot Welder Co. v. *Ford Motor Co.*, 265 U.S. 445, 446; 68 L. Ed. 1098, 1100.

The Court of Appeals for the First Circuit has itself, in previous cases, followed this principle. See *Lincoln Stores* v. *Nashua Mfg. Co.*, 157 F. 2d 154, 163 (CCA-1), certiorari denied 329 U.S. 811; *B. F. Sturtevant Co.* v. *Massachusetts Hair & Felt Co.*, 122 F. 2d 900, 906 (CCA-1); *National Biscuit Co.* v. *Crown Baking Co.*, 105 F. 2d 422 (CCA-1).

The principle has also been applied in decisions of the Courts of Appeal for other Circuits. See *Faulkner* v. *Gibbs*, 170 F. 2d 34, 37 (CA-9); *Strong-Scott Mfg. Co.* v. *Weller*, 112 F. 2d 389, 395 (CCA-8); *Cusano* v. *Kotler*, 159 F. 2d 159, 160 (CCA-3).

It is submitted, therefore, that the Court of Appeals' action, in the case at bar, is clearly in conflict with the applicable decisions of this Court and departs from the accepted and usual course of judicial proceedings (as evidenced by the decisions of this Court and of the Courts of Appeal for the First and other Circuits) so as to call for an exercise of this Court's power of supervision.

ARGUMENT OF POINT 4:

Patentable Invention in the Concept.

Summary: Patentability can be based, at least in part, upon the ingeniousness of the new concept or idea, and is not limited solely to the ingenuity needed in making a device which is a physical embodiment of the new concept or idea (once the concept or idea has been supplied by the patentee).

The opinion of the Court of Appeals, in the case at bar, erroneously ruled out the possibility of invention residing in the patentee's novel idea or concept of a drive-in theatre and held that patentability could be based *only* upon the novelty of the individual elements making up the claimed construction constituting a physical embodiment of the idea or concept (R., pp. 775-6). In other words, the Court of Appeals held that the ingenuity or

creative thought or mental flash or concept whereby the idea of a practical outdoor drive-in theatre was first born to Hollingshead must be completely ignored and disregarded in determining whether the drive-in theatre of the patent in suit involved the exercise of the inventive faculties and that, instead, it must appear that the individual elements of the physical embodiment of Hollingshead's new concept or idea (as included in the *combination* claimed in the patent in suit) must themselves *separately* show patentable novelty over and above some hypothetical structure which might have been developed by someone else had such other person (instead of Hollingshead) had the original thought or creative flash or concept of a practical drive-in theatre.

Petitioner respectfully submits that the reasoning of the Court of Appeals is clearly at variance with the decisions of this Court and of other Courts, and that it is well settled that invention can reside, at least in part, in the mental concept or idea whereby the invention was born.

Thus, as stated by this Court in *Smith* v. *Nichols*, 88 U.S. 112 (22 L. Ed. 566, 567):

> "A patentable invention is a mental result. It must be new and shown to be of practical utility. Everything within the domain of the *conception* belongs to him who conceived it. The machine, process or product is but its material reflex and embodiment."

And in *Hobbs* v. *Beach*, 180 U.S. 383, 393 (45 L. Ed. 586, 592), this Court again spoke of the

> "invention consisting rather in the *idea* that such change could be made than in making the necessary mechanical alterations."

The decisions of other United States Courts are to like effect.

Thus, in *Sturtevant* v. *Massachusetts Hair & Felt Co.*, 122 F. 2d 900, 907 (CCA-1), the Court of Appeals for the

First Circuit relied on the above-quoted statement from this Court's decision in *Smith* v. *Nichols, supra.*

In *Rosemary Mfg. Co.* v. *Halifax Cotton Mills,* 257 Fed. 321, 322 (CCA-4), the Court of Appeals stated the principle as follows:

> "In many inventions there are two distinct steps: First, the conception of the general result wished for; second, the discovery of a way of obtaining it. In a large majority of cases, perhaps, the first may be obvious to every one interested in a particular art, and it is the second which calls for the exercise of inventive genius. But that is not always so. It may well be that two or more machines, appliances, or tools are old and well known. Some day it dawns on some one that, if they are combined, new and useful results will be obtained. It may be that, so far as the advantages of the combination are understood, the means of bringing it about are within the capacity of any fairly skilled mechanic. In a third class of cases inventive genius may be required both in perceiving the combination that is desirable and in finding out a practical way of making it."

In the case of *In re Earle,* 102 F. 2d 232, 235 (CCPA) the Court, after citing the above-quoted statement from the *Rosemary Mfg. Co.* case, went on to say:

> "So here a part of the inventive concept was the idea of rendering visible at a distance the operative condition of a lightning arrester, and when a glass housing was utilized for that purpose the invention became complete, and it is immaterial that the use of glass to complete the invention would be obvious to one who had formed such original concept."

Pertinent also is the following quotation from *In re Holt,* 162 F. 2d 472, 475 (CCPA):

> "The rule has been so often stated and is so well understood as to call for no citation of authorities that the assembling into a new article of a number of good features of the prior art may involve invention and be of such utility and produce such unexpected results as to be patentable. The *conception* of a structure of that character may be the invention, even though the assembling of it into a united structure would involve little more than mechanical skill after such conception. (Citing cases.)"

In *Gillman* v. *Stern,* 114 F. 2d 28, 30 (CCA-2), Judge Learned Hand pointed out that

> "Constitutionally only 'discoveries' can be patented at all, and the ingenuity needed for the new *conception,* not the amount of physical readjustment, is the test of a valuable 'discovery' " (citing cases).

In the recent case of *Gelardin* v. *Revlon Products Corp.,* 164 F. 2d 910, 911 (CCA-2), Judge Hand again gave recognition to the importance of the mental concept in determining invention, stating:

> "Invention is the act of putting together elements—*all usually old*—which gives them an added value; and the *combination* must be one for which exceptional *imaginative talent* is necessary."

In *Seymour* v. *Ford Motor Co.,* 44 F. 2d 306, 309 (CCA-6), the Court again emphasized that

> "the inventive act consists of the *conception of the idea* and of its reduction to practice, . . ."

In *Pyrene Mfg. Co.* v. *Boyce,* 292 Fed. 480, 481 (CCA-3), certiorari denied 263 U.S. 723, the Court defined patentable invention as follows:

> "Invention is a *concept;* a thing evolved from the mind."

The importance of the mental concept or idea in a patentable invention was recognized by this Court in *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U.S. 84, 90, 91,; 86 L. Ed. 58, 62, 32, wherein the Court pointed out that:

> "Under the statute (35 USCA § 31) the device must not only be 'new and useful,' it must also be 'invention or discovery'.
>
> . . . . . .
>
> That is to say the new device, however useful it may be, must reveal the *flash* of creative genius. . . ."

From the last-quoted statement, it is clear that this Court considers the *mental concept or idea* an important (if not, indeed, the most important) factor in determining whether a patentable invention has been made.

Obviously, the term "flash", with its connotation of suddenness, refers to the *mental concept or idea* forming the basis of the invention and *not* the subsequent physical operations whereby the idea is embodied in physical form.

The decisions cited by the Court of Appeals (R., pp. 775-6) in the case at bar do not in fact support the Court's reasoning on this point.

Thus, in the early case of *Rubber Tip Pencil Co.* v. *Howard*, 87 U.S. (20 Wall) 498 (22 L. Ed. 410, 413-14), this Court held invalid a patent which claimed "as a new article of manufacture, an elastic erasive pencil head, made substantially as in the manner described." In other words, the patent did not claim the *combination* of a rubber tip and a pencil but, instead, attempted to cover the rubber tip, per se, as an article of manufacture.

The specification of the patent was extremely indefinite as to the shape or form or other structural features which the tip should have. The Court held that "The prominent idea in the mind of the inventor clearly was the form of the attachment, not of the head." The Court concluded that the claim (covering the rubber tip, per se) was invalid because it attempted to monopolize a

piece of rubber with a hole in it. The Court correctly concluded that this could not constitute a patentable invention because the resilient characteristics of rubber were well known and it could not possibly amount to inventive genius to provide a rubber tip with a slightly undersize hole into which the end of a pencil could be forced.

At the very end of its opinion in the *Rubber Tip Pencil Co.* case, supra, the Court made the statement (relied on so heavily by the Court of Appeals in the case at bar) that:

> "An idea of itself is not patentable, but a new device by which it may be made practical and useful is. The idea of this patentee was a good one, but his device to give it effect, though useful, was not new."

It would appear that all that this Court meant by the above-quoted statement was that an old article of manufacture cannot be withdrawn from the public domain by a subsequent realization that it may have a new use.

On this point, it should be kept in mind that the Hollingshead patent here in suit does *not* cover any single element, per se, as a separate article of manufacture, but, instead, covers a *combination* of different elements and, as will be brought out hereinbelow under *Argument-Point 8*, the test of patentability is different in the case of *combination* claims.

If the patent in suit sought to cover nothing more than the idea of an outdoor motion picture theatre (such as would result from the removal or omission of the walls and roof structure of a conventional indoor theatre house) the *Rubber Tip Pencil Co.* case, *supra*, might, perhaps, be applicable to some extent.

However, the inventive concept or thought underlying the patent in suit was the creative flash of realization that motion pictures could be made available to motorists without their having to leave their automobiles, by providing an outdoor drive-in theatre wherein the automobiles are driven onto tilted car-aiming ramps and adjustably

aimed at the screen and arranged in succesive arcs, separated by depressed driveways, whereby the motion picture screen would be visible to all the occupants of all the hundreds of automobiles, through the limited area of the wind-shield.

This is a far cry from the piece of rubber containing a hole which was held not to constitute a patentable invention in the *Rubber Tip Pencil Co. Case, supra*, and the statement as to unpatentability of ideas per se made in the latter case was not intended to apply to factual situations like the one at bar.

The Court of Appeals in the case at bar also relied on this Court's decision in the case of *Miller* v. *Eagle Mfg. Co.*, 151 U. S. 186, 201 (38 L. Ed. 121, 128-9), which followed a few years after and relied on the *Rubber Tip Pencil Co.* case, *supra*, and in which case (*Miller* v. *Eagle*) the Court held that the later of the two patents there in suit was anticipated by the earlier patent, even though both were granted to the same inventor, holding

> "The patent of 1879 thus embraces both the lifting and the depressing effects or operations of the spring device, while that of 1881 seeks to cover only the increased lifting effect of the same device. The first patent clearly includes the second. No subsequent distinction can be drawn between the two, which have the same element in combination and the same spring arrangement and adjustment to accomplish precisely the same lifting effect, increasing as the beams are raised from their operative positions. The matter sought to be covered by the second patent is inseparably involved in the matter embraced in the former patent, and this, under the authorities, renders the second patent void."

In other words, in the *Miller* v. *Eagle* case, the patentee had, after his 1879 patent had been granted, found that in the identical structure of the 1879 patent, the lifting spring acted with increasing force on the beam

of the cultivator and applied for and obtained his second (1881) patent based solely upon his belated realization of this mode of operation of the earlier-patented machine.

In making the statement quoted by the Court of Appeals in the case at bar (R., p. 775) to the effect that the mechanical means (and not the result sought to be accomplished) constitutes patentable invention, the Court, in the *Miller* v. *Eagle* case, *supra*, was again simply restating the well known principle that a unitary machine found fully assembled in a prior patent (whether the prior patent was granted to the same inventor or to a different inventor) cannot be re-patented simply on the basis of a belatedly discovered difference in mode of operation.

When this is kept in mind, it is clear that the statement relied on by the Court of Appeals, in the case at bar, has no applicability whatever to the patent here in suit.

In *Knapp* v. *Morss*, 150 U.S. 221, 227-8 (37 L. Ed. 1059, 1062), relied upon by the Court of Appeals, in the case at bar, this Court held that a patent which disclosed a dress-form but which claimed broadly such structural features as a standard, ribs, double-braces, sliding blocks, and rests (*the entire combination being shown in the prior art, functioning in the same way and producing exactly the same results*) was invalid for lack of patentable invention. The Court, in *Knapp* v. *Morss*, *supra*, recognized the principle stated in *Webster Loom Co.* v. *Higgins*, 15 U.S. 591, (26 L. Ed. 1131), that a new combination of known elements producing a new and beneficial result may constitute patentable invention but held that this principle was inapplicable in *Knapp* v. *Morss* because *both* the combination and its mode of operation were old.

The Court, in *Knapp* v. *Morss*, stated that, while the purpose of the patent there in suit was to effect radial expansion of the dress-form, such purpose did not constitute patentable invention in the absence of any new and useful means for obtaining the result.

Here, again, the inapplicability of the decision to

the facts at bar is readily apparent, since the invention of the Hollingshead patent in suit not only accomplished a new and useful result but, as will be brought out hereinbelow under *Argument-Point 8*, also employes a new and differently-functioning combination of elements to attain this result.

The case of *In re Patton*, 127 F. 2d 324 (CCPA), cited by the Court of Appeals in the case at bar (R., p. 776) stands for nothing more than the proposition that a system of transacting business is not patentable. The inapplicability of this decision to the facts at bar is readily apparent from the following claim which was one of those rejected by the Court in the case of *In re Patton*:

> "7. The combination, in a fire protective system for national defense, against aircraft attack; of standard, detachable, propelled units and trailer units; utilizing the principle of mobile batteries or fleets, and extra trailers, adapted to function as a unit of the army."

The last case cited by the Court of Appeals in the case at bar (R., p. 776), namely *Hotel Security Checking Co.* v. *Lorraine Co.*, 160 Fed. 467 (CCA-2), held that a bookkeeping system for checking on waiters in restaurants was not patentable because the bookkeeping forms employed were identical with those previously used for many years and because the system did not constitute one of the patentable categories* provided by Section 4886 of the Revised Statutes (35 USC 31).

It is submitted that the *Patton* and the *Hotel Security Checking Co.* decisions, being based, as they are, upon the principle that a method of doing business is not within any of the patentable categories provided by Section 4886 of the Revised Statutes, do not support the Court of Appeals' decision in the case at bar because the Court of Appeals has conceded that the drive-in theatre structure of the patent-in-suit "may be the subject matter of a pat-

*i. e. "machine", "manufacture" or "art".

ent. *Park-In Theatres* v. *Rogers*, 130 F. (2d) 745" (R., p. 775).

The *Patton* and the *Hotel Security Checking Co.* decisions might have been applicable if the patent here in suit covered a system for checking the payment or collection of admission fees (which, of course, is *not* the case), but clearly constitute no authority for holding the Hollingshead patent invalid on its face, in disregard of the presumption of validity and the fact-findings of invention made by the trial court, and without reliance on any of the prior art of record and in disregard[2] of all evidence supporting the trial court's fact-finding of invention.

The unreasonableness of the Court of Appeals' test of invention (as residing solely in the physical structure and not at all in the mental concept which forms the basis for the structure) can be seen, for instance, if we consider that, under this test, Benjamin Franklin could not have qualified for a patent on his lightning-rod, one of the most important inventions of his time.* Thus, Franklin's "invention or discovery" certainly resided for the most part, if not exclusively, in the mental concept or realization that lightning and electricity were the same and that a house could be protected from lightning by providing it with an up-standing electrical conductor and an electrically conducting connection between it and the ground, which would carry off the electrostatic charges to the ground. Given this mental concept, almost any blacksmith or metal craftsman could have suggested the use of an iron rod mounted on the roof of the house and leading to the ground and, under the test of invention applied by the Court of Appeals in the case at bar, this would necessarily have precluded the granting of any valid patent to Franklin on the lightning-rod.

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[2] Opinion at R., p. 776, lines 10 to 20.

* The lightning-rod was, of course, invented long prior to the institution of our patent system.

Obviously, Congress, in enacting Section 4886 of the Revised Statutes in accordance with the Constitutional authority granted to it, could not have intended any such result as this.

Indeed, in virtually all of the relatively small number of truly significant inventions which have contributed most to our civilization, the "invention" can be found to reside primarily, if not exclusively, in the creative mental concept or idea which occurred to the inventor (whether Archimedes, Galileo, Franklin, Robert Fulton, Samuel B. Morse, Marconi or Thomas A. Edison) rather than in the subsequent physical structure in which the mental concept was thereafter embodied.

It is submitted, therefore, that the Court of Appeals erred in ruling out the novelty, originality and utility of Hollingshead's creative mental concept as evidencing invention and as supporting the validity of the patent-in-suit.

ARGUMENT OF POINT 5: Initial skepticism of those skilled in the motion picture industry and subsequent recognition, acceptance and commercial success of the drive-in theatre of the patent in suit, and the testimony of those skilled in the motion picture industry that drive-in theatre of the patent in suit was ingenious, are all evidences of invention supporting the trial court's fact-finding of invention.

In its Opinion, the Court of Appeals for the First Circuit held that all evidence supporting the trial court's fact-finding of invention (and fortifying the legal presumption of invention inherent in the granting of the patent) was "beside the point" (R., p. 776, line 10).

The Court of Appeals for the Ninth Circuit held the contrary, namely, that

> "the patentee* has the right to fortify the presumption of validity of the patent by proof of matters

*i. e. the patentee Hollingshead of the patent here in suit.

> tending to show that the *conception* of the patentee* involved invention . . ." (130 F. 2d 748)

and that the presumption of invention attaching to the grant of the patent here in suit

> "is so strong that in the event of a reasonable doubt as to the patentability or invention the doubt must be resolved in favor of the validity of the patent. *Mumm* v. *Jacob E. Decker & Sons*, 301 U. S. 168, 171 . . ." (130 F. 2d 748)

In the case at bar, the "matters tending show that the *conception* of the patentee (Hollingshead) involved invention" (130 F. 2d 748) are (*a*) initial skepticism of the industry, (*b*) subsequent public-acceptance, (*c*) commercial success, (*d*) the direct testimony of motion-picture engineers, exhibitors and theatre owners and operators of motion-picture theatres that the drive-in theatre was new, ingenious, not suggested by any prior theatre practice and a valuable contribution to the motion-picture exhibition industry, (*e*) the testimony of defendant's officer on direct examination (as defendant's witness) that the drive-in theatre of the patent-in-suit is a "fair idea" (R., p. 185) and (*f*) defendant's public advertisements stating that the drive-in theatre of the patent-in-suit is *"new" and "unique"* (R., p. 499) and *"the outstanding innovation in the amusement world"* with *"many advantages"*, which *"solves the family evening entertainment problem"* (R., p. 497), is a *"boon to invalids"* (R., p. 501), *"approved"* (R., p. 501) and *"acclaimed by the critics"* and provides "perfect visibility and sound" (R., p. 505), received *"immediate and enthusiastic approval from the public"*, is a *"spectacular success"* (R., p. 505), and in which *"automobiles can enter and leave at any time"* and *"incoming and outgoing cars will in no way interfere with either sound or vision"* (R., p. 543);—all as more fully pointed out in the *Statement of the Case* on foregoing pages 2 to 17, inclusive.

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* i. e., the patentee Hollingshead of the patent here in suit.

It is a well-established rule that initial skepticism or incredulity in the industry, followed by public acceptance and commercial success, is strong evidence that the claimed subject-matter of the patent was inventive and not merely the expected result of a man skilled in the art. As stated in *National Battery Co.* v. *Richardson Co.* 63 F. (2d) 289, 292, (CCA 6):

> "Were we in doubt upon this subject, however, the at first prevalent incredulity of the trade, and then the rapidly increasing acceptance and the broad development of the commercial use of such boxes must tip the scales in favor of novelty, utility, and invention."

And in *McKee* v. *Graton & Knight Co.*, 87 F. (2d) 262, 264, (CCA 4), the Court said:

> "The fact that the trade was at first doubtful of its utility is pretty clear proof that it was not something that was obvious or that it involved mere mechanical skill".

And, as pointed out by this Court in *Goodyear* v. *Ray-O-Vac*, 321 U.S. 275, 278 (88 L. Ed. 721, 724):

> "Viewed after the event, the means Anthony adopted seem simple and such as should have been obvious to those who worked in the field, but this is not enough to negative invention. (Citing cases) During a period of half a century, in which the use of flash light batteries increased enormously, and the manufacturers of flash light cells were conscious of the defects in them, no one devised a method of curing such defects. Once the method was discovered it commended itself to the public as evidenced by marked commercial success. These factors were entitled to weight in determining whether the improvement amounted to invention and should, in a close case, tip the scales in favor of patentability. (citing cases)

To like effect are the following cases:

Smith v. *Snow,* 294 U.S. 1, 7, 14 (79 L. Ed. 721, 725, 729);

Smith v. *Goodyear Dental Vulcanite Co.,* 93 U.S. 486, 495 (23 L. Ed. 952, 954-5);

Magowen v. *New York Belting & Packing Co.,* 141 U.S. 332, 343 (35 L. Ed. 781, 785);

Topliff v. *Topliff,* 145 U.S. 156, 163-4 (36 L. Ed. 658, 661-2);

Keystone Mfg. Co. v. *Adams,* 151 U.S. 139, 143 (38 L. Ed. 103, 104);

C. & A. Potts & Co. v. *Creager,* 155 U.S. 597, 609 (39 L. Ed. 275, 279);

Minerals Separation Ltd. v. *Hyde,* 242 U.S. 261, 270 (61 L. Ed. 286, 293);

Diamond Rubber Co. v. *Consolidated Rubber Tire Co.,* 220 U.S. 428, 434-5, 441 (55 L. Ed. 527);

Lincoln Stores v. *Nashua Mfg. Co.,* 157 F. 2d 154, 163 (CCA 1); certiorari denied 329 U.S. 811;

Strong-Scott Mfg. Co. v. *Weller,* 112 F. 2d 389, 395 (CCA 8);

James P. Marsh Corp. v. *U.S. Gauge Co.,* 129 F. 2d 161, 163-4 (CCA 7);

Forestek v. *Knapp-Monarch Co.,* 106 F. 2d 554, 558 (CCA 6);

Electric Machinery Co. v. *General Electric Co.,* 88 F. 2d 11, 14-15 (CCA 2).

In view of the abundant, cogent and wholly uncontroverted evidence (*a*) of the initial skepticism of responsible and skilled people in the motion picture industry, and (*b*) of the subsequent public-acceptance and (*c*) commercial success of the drive-in theatre of the patent here in suit, and in view of the clear testimony of responsible motion picture executives with long experience and of

engineers in the motion picture industry (*d*) that the drive-in theatre of the patent-in-suit was ingenious and a valuable contribution to the motion picture exhibition industry, the Court of Appeals for the First Circuit was clearly in error in disregarding and holding "beside the point" (R., p. 776, line 10) all such evidence supporting the trial court's fact-finding of invention and fortifying the legal presumption of invention inherent in the granting of the patent, and its action in so doing represents such a departure from the accepted and usual course of judicial proceedings as to call for the exercise of this Court's power of supervision.

ARGUMENT OF POINT 6: Length of time between conception and reduction does not negative invention

Summary: The length of time intervening conception and reduction to practice, is not determinative of whether the subject matter did or did not involve the exercise of the inventive faculties, as patentability may be found, at least in part, in the *flash* of creative genius as distinguished from the subsequent (short or long) effort required to make a physical embodiment of the inventive concept or idea, and even if the length of time is one of the elements which may be considered, then the time-interval (between conception and reduction to practice) in the case at bar was not so short as to negative invention.

Among the reasons relied on by the Court of Appeals, in the case at bar, for reversing the trial Court's fact-finding of invention, were such statements as "the art did not have to wait for years for Hollingshead to discover the means for making drive-in theatres practically useful", "And it did not take him long to solve those problems*", "the finding of invention in devising the means for carrying out the idea cannot be buttressed by a finding that Hollingshead was the first to supply the solution for a long-standing problem." (R., p. 779)

* The problems inherent in constructing a practical drive-in theatre.

In other words, the Court of Appeals based its decision, at least in part, upon the propositions

> that there must be a considerable period of time intervening conception and reduction to practice before there can be a patentable invention, and
>
> that *the length of time* required for Hollingshead to devise the physical structure, after having had his inventive concept, was insufficient to evidence invention.

It is submitted that the Court of Appeals erred as to both of these propositions.

Thus, we are aware of no authority (and the Court of Appeals' opinion cites none) to support the proposition that a long period of time must elapse between the original concept of an invention and its subsequent reduction to practice.

Instead, the principle, as many times stated in the decisions discussed hereinabove under *Argument-Point 5*, is that commercial success and public acceptance of a patented device constitute evidence of patentable invention especially where the device was one which could have been (but was not) invented many years earlier.

Applying this principle to the facts at bar, it is clear that there was a need for a practical drive-in theatre many years prior to the invention of the patent-in-suit.

Thus, simultantously with the rapid development and phenomenal expansion of the automobile industry over the first quarter of the 20th century, there arose many other industries based upon and catering to the automotive trade.

To cite a few illustrations, advertising billboards intended to attract the attention and the patronage of motorists, almost exclusively, became a multi-million dollar business. Along most roads and highways, restaurants, diners, lunch-stands and the like, mushroomed in ever-increasing numbers, dependent solely upon the

business of the automobile trade. Tourist cabins and hotels provided lodging for the traveler and a garage for his vehicle. Service stations, by the thousands, supplied the motorist with everything needed to keep his car in running condition. Complex multi-story garage structures, and multi-purpose structures including car-storage, employing expensive car-handling arrangements, were built in the principal cities to provide off-the-street storage. See, for instance, the *Mason patent* (PX-37 at R., pp. 557 to 578) and the *Lonberg-Holm publication* (PX-38 at R., p. 579).

Clearly, there was a realization that the automobile trade which could support many varied types of enterprises, and many varied enterprises had developed long prior to the invention of the patent-in-suit based solely on the needs and comforts of the motorist.

Nevertheless, in spite of the many millions of automobiles which had been built and the many billions of dollars which had theretofore been spent in connection with the automotive and related industries, no one, prior to Hollingshead, had conceived the very practical (and, as subsequently proven, tremendously successful) idea of providing a practical drive-in theatre which would cater to the automotive trade and which would enable the motorist and his passengers to view motion pictures comfortably from the car, without the need for placing the car in a parking lot and thereafter walking to a conventional theatre house employing individual seats, and permitting whole families to go to the movies without the need for engaging any "baby-sitter" for the young member of the family, who sleeps on the back-seat while the parents and older child see the movies from the front seat (see also the advantages on pages 10 to 12, *supra*).

It is conceded that Hollingshead's invention laid the foundation for an entirely new multi-million dollar industry. Even more important, this new industry did not merely supplant something which went before (as, for

example, the electric light supplanted the gas-mantle industry) and, instead, created an entirely new means of entertainment for motorists and an entirely new source of revenue and employment for thousands of theatre owners and employees.

Against the background of facts, it is, we submit, evident that Hollingshead's inventive contribution was one of the great magnitude, far overshadowing the ordinary "run of the mill" patentable improvement which is the subject matter of the average patent.

Hollingshead's invention clearly reveals "the flash of creative genius" within the meaning of this Court's decision in *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U.S. 84, 91 (86 L. Ed. 58, 63).

The term "flash" necessarily implies something evolved in a fleeting instant of creative mental conception and negatives any dependence upon the prolonged experimental work which, according to the Court of Appeals' opinion in the case at bar, must intervene between conception and reduction to practice in order to constitute evidence of invention. Indeed, this tedious and long drawn out procedure of experimentation has, under some circumstances, been held to constitute mere "routineering", negativing, rather than supporting, invention. See *Potts* v. *Coe*, 140 F. 2d 470, 473 (App. D.C.).

It is submitted, therefore, that basic error exists in the Court of Appeals' proposition that a long period of time intervening conception and reduction to practice is necessary to constitute evidence of invention.

Moreover, even if this proposition were sound, the facts of record do not support the Court of Appeals' conclusion that it did not take Hollingshead long to do this.

As a matter of fact, the record clearly shows that over a year elapsed between Hollingshead's original conception and the subsequent reduction to practice (R., p. 73).

ARGUMENT OF POINT 7: Patentee does NOT have any burden of showing any prior unsuccessful efforts of others.

Summary: It is *never* incumbent upon a plaintiff-patentee to show any prior unsuccessful efforts of others, and this is applicable, a fortiorari, in the case at bar, since defendant's affirmative pleading (in its Answer) that others prior to the patentee had diligently tried to adopt and perfect the drive-in theatre of the patent-in-suit, constituted such *judicial admission* as to obviate the necessity of proof (even if such burden of proof would otherwise exist).

The defense (not pleaded, noticed, urged or considered in the trial Court) that "*there had been no unsuccessful efforts wherein others had tried and failed*" to build or construct a practical drive-in theatre, was advanced, for the first time, in defendant's statement of "*Defendant's Position*" contained in defendant's brief in the Court of Appeals (reproduced in *Appendix G* hereto, page 2-g, lines 26 & 27).

The Court of Appeals, in the case at bar, responded to this unpleaded and novel defense, in the following statements:

> "Furthermore, the art did not have to wait for years for Hollingshead to discover the means for making drive-in theatres practically useful. So far as the record discloses Hollingshead was the first to hit upon the idea of a drive-in theatre and consequently he was the first to appreciate the problems inherent in designing a practical one. And it did not take him long to solve those problems. Thus while the art may have had to wait for years for the idea or conception of a drive-in theatre, the finding of invention in devising the means for carrying out the idea *cannot be buttressed by a finding that Hollingshead was the first to supply the solution for a long-standing problem.*" (R., p. 779)

It is submitted that the above-quoted statements are unsound and do not correctly state the applicable law for several reasons.

Thus, it was not incumbent upon plaintiff to present any evidence whatever on this factual point going to the question of invention, and, in the absence of clear and convincing evidence presented by the infringer tending to negative invention, was entitled, under the cases discussed hereinabove under *Argument-Point 2*, to rely upon the presumption of invention inherent in the grant of the patent (further supported by the trial court's fact-finding of invention and the extensive evidence supporting this fact-finding).

Secondly, while a showing that others prior to the patentee had tried unsuccessfully to solve a particular problem in an *established* art is sometimes regarded by the Courts as a factor to be weighed *in favor of* a fact-finding of invention, *lack of prior failure of others is never a defense to the validity of a patent*, and such a showing could not, by its very nature, be made where, as in the case at bar, the patentee is the pioneer in an art which did not even exist prior to his invention of the patent in suit.

In other words, it is inconsistent on the one hand to concede that Hollingshead was the first to conceive of a practical drive-in theatre and was the first to embody it in practical form and, on the other hand, to impugn the validity of the Hollingshead patent on the ground that others had not unsuccessfully attempted to do the same thing.

It is submitted that, in the case of a pioneer invention such as that of the patent-in-suit, the proper test to apply is the length of time during which others had all the usual incentives to make the invention *but did not make the invention.*

Automobiles and motion pictures had both been in wide and general use for about a quarter of a century prior to Hollingshead's invention, and yet the public and

the motion-picture exhibition industry *did* "have to wait" for a quarter of a century "for Hollingshead to discover the means for making drive-in theatres practically useful".

Moreover, complete lack of conception by those who would have been expected at least to visualize the problem, also represents more eloquent tribute to Hollingshead's inventive genius than any conventional showing that others had in fact realized the problem but (for years) had fallen short of its practical solution.

It is further submitted that, on the pleadings, there was a *judicial admission* (in the Answer) that others prior to Hollingshead had diligently tried to adapt and perfect the drive-in theatre of the patent in suit (R., p. 11, lines 7 & 8), and such judicial admission obviated the necessity of any proof of prior unsuccessful efforts of others (even assuming that a patentee has any such burden of proof).

Thus, as stated in *Wigmore on Evidence* (3rd Edition, 1940) Volume IV, §1064, pp. 45-6:

> "The pleadings in a cause are, for the purposes of use in that suit, not mere ordinary admissions (ante, §1057), but judicial admissions (post, §2588); *i. e.* they are not a means of evidence, but a waiver of all controversy (so far as the opponent may desire to take advantage of them) and therefore a limitation of the issues. Neither party may dispute beyond these limits. Thus, any reference that may be made to them, where the one party desires to avail himself of the other's pleading, is not a process of using evidence, but an invocation of the right to confine the issues and to insist on treating as established the facts admitted in the pleadings.
>
> "This much being generally conceded, it follows that a party may at any and all times invoke the language of his opponent's pleading on that particular issue as rendering certain facts indisputable; . . ."

In *Jones* v. *Moorehead*, 68 U.S. 155, 17 L. Ed. 662, 664, this Court held that an admission of infringement, in a patent-infringement suit, was binding upon the defendants, even though it was apparent that, had there been no such admission, the evidence would have clearly required a finding of non-infringement;—this Court stating:

> "It would be subversive of all sound practice, and tend largely to defeat the ends of justice, if the court should refuse to accept a fact as settled, which is distinctly alleged in the bill, and admitted in the answer. Crockett *v.* Lee, 7 Wheat., 522."

To like effect are the following decisions of this Court and of the Courts of Appeal of other Circuits:

Miles v. *United States*, 103 U.S. 304, 26 L. Ed. 481, 483-4;
Scott v. *Commissioner*, 117 F. 2d 36, 40 (CCA 8);
Stolte v. *Larkin*, 110 F. 2d 226, 232 (CCA 8);
Darling Shops, Inc. v. *Brack*, 95 F. 2d 135, 141 (CCA 8);
Alamo v. *Del Rosario*, 98 F. 2d 328, 330 (App. D.C.).

In view of the authorities discussed above, it is submitted that the Court of Appeals, in the case at bar, also erred in ignoring the *judicial admission* contained in defendant's Answer and in holding that there was no evidence of prior unsuccessful attempts by others to construct a drive-in theatre.

Therefore, the Court of Appeals, in the case at bar, has so far departed from the usual and accepted cause of judicial proceedings as to call for the exercise of this Court's power of supervision, in that said Court of Appeals

a) based its reversal (of the trial court's fact-finding of invention) at least in part upon the lack of prior unsuccessful efforts of others (which is *never* a legal defense to the validity of a patent, and was not pleaded, noticed, urged or considered in the trial court), and

b) ignored defendant's *judicial admission* that others prior to Hollingshead tried diligently to adopt and perfect the drive-in theatre of the patent-in-suit.

ARGUMENT OF POINT 8:

New combination of old elements, patentable.

Summary: Where, as here, the claimed invention is a combination of elements, the test of patentability is primarily the novelty and ingeniousness of the claimed *combination* and not the novelty of its component elements, *per se*.

The Statute (35 U.S.C. 33)* expressly provides for a claim on a *combination* of elements or parts (as distinguished from a claim to an element or part, per se).

The Court of Appeals' decision, in the case at bar, after first concluding that invention can not reside in the mental concept or idea underlying Hollingshead's patent-in-suit, and after holding that the District Court's findings of fact (based upon expert testimony and other evidence) that the drive-in theatre of patent-in-suit was ingenious, inventive and met with marked public acceptance and commercial success, were irrelevant, turns its attention to "the mechanical means or instrumentalities" of the patent-in-suit. (R., p. 776).

The Court of Appeals' decision then goes on to discuss the "means" as consisting solely of "aiming" mechanism for pointing automobiles at a screen and concludes that there is "nothing inventive" involved in the element, and that the feature does not involve or call for "an exercise of the inventive faculty" (R., p. 777-9).

The Court of Appeals' opinion goes on to conclude:

> "In view of our own analysis of Hollingshead's means we are of the opinion that the ultimate finding of the court below that an exercise of the faculty of invention was required to devise those means was clearly erroneous" (R., p. 779).

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* ". . . inventor or discoverer . . . **shall** . . . **claim the** part, improvement or **combination** which he claims as his invention or discovery . . ."

Claim 6 is illustrative of the claims (namely claims 2, 4, 5, 6, 8, 10, 15, 16 and 19) which were held valid by the trial court.

Claim 6 is a "combination" claim covering a number of different elements arranged in cooperative relationship to each other to produce a new and useful end-result (namely the effective viewing of motion pictures in an outdoor drive-in theatre through the windshields of a large number of automobiles and permitting the ingress and egress of automobiles without ever obstructing the line-of-vision of occupants of other automobiles).

Claim 6 can be broken down into its individual component elements as follows:

"6. An outdoor theatre comprising

(*a*) a screen

(*b*) alternate rows of automobile drive-ways and

(*c*) vertically inclined automobile stall-ways arranged in front of the screen,

(c^1) said stall-ways being adapted to receive automobiles adjacent to each other and facing the screen;—

(c^2) said automobile stall-ways being at an angle with respect to the screen such as will produce a clear angle of vision from the seat of the automobile, through the windshield thereof to the screen, free of obstruction from the automobiles ahead of it,

(*d*) an abutment along the front boundary of each of said stall-ways for limiting the forward position of the automobiles therein, and

(*e*) a motion picture projection booth in operative relation to said screen, and

(*f*) electrical sound reproducing means in operative relation to said stall-ways."

Thus, we have here a claim covering a combination of six different elements, namely elements (*a*) to (*f*). The Court of Appeals' discussion of the "mechanical means or instrumentalities" which, in its view, constitute the invention of the patent-in-suit, limits itself *solely* to a consideration of element "*c*" (namely the stall-ways) with its structural features c^1 and c^2, and wholly ignores the question of whether any of the remaining elements of the combination disclosed invention and, what is more important, whether, leaving aside the novelty of the individual elements *per se*, any invention was involved in *combining* the elements into a unitary structure to give a new and useful result never theretofore attained.

Clearly, a number of these individual elements, for example elements (*d*) and (*f*), cannot be brushed aside as anticipated by or unpatentable over the state of the art because nothing even remotely resembling these elements is ever employed in conventional indoor motion picture theatre houses.

Hence, the Court of Appeals, in limiting its consideration to a single one of a large number of elements, without even considering the remainder of the elements of the combination, was clearly unjustified in overruling the trial court's fact-finding of invention even if what the Court of Appeal said *as to the single element* were taken as correct.

For the convenience of the Court, we have annexed hereto, on pages 79 to 81 hereof, a copy of Claims 2, 4, 5, 6, 10, 15, 16 and 19 of the patent here in suit, together with our *concordance notes* and a *table of concordance* (on page 78 hereof).

It is, of course, well settled that patentable invention can reside in a novel combination of elements, producing a new and different result, even though one or more of the individual elements are old and can be found by themselves (*i. e.* divorced from the other elements) in the prior-art.

As stated in *Webster Loom Co.* v. *Higgins*, 105 U.S. 580, (26 L. Ed. 1177, 1181):

"It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of *known* elements produce a new and beneficial result, never attained before, it is evidence of invention."

And in *Expanded Metal Co.* v. *Bradford,* 214 U.S. 366, 381 (53 L. Ed. 1034, 1039), this Court stated:

"It is perfectly well settled that a new combination of elements, *old* in themselves, but which produce a new and useful result, entitles the inventor to the protection of a patent."

To like effect are the following decisions of the Courts of Appeal for various Circuits:

Forestek Plating & Mfg. Co. v. *Knapp Monarch Co.,* 106 F. 2d 554, 557 (CCA 6);
Simons v. *Davidson Brick Co.,* 106 F. 2d 518, 521 (CCA 9);
General Motors Corp. v. *Swan Carburetor Co.,* 88 F. 2d 876, 887 (CCA 6), certiorari denied 302 U.S. 691.

It is clear, therefore, that the Court of Appeals for the First Circuit, in the case at bar, in overruling the fact-finding of the trial court, completely ignored a fundamental principle of patent law that the claimed *combination* of the patent-in-suit may constitute patentable invention.

We submit further that, *even as to the single element considered* in the Court of Appeals' decision, the reasoning employed by the Court is unsound and represents a clear case of "hindsight",* which makes everything appear simple and obvious after the fact has once been demonstrated.

As stated by this Court in the recent case of *Goodyear Tire & Rubber Co.* v. *Ray-O-Vac Co.,* 321 U.S. 275, 279 (88 L. Ed. 721, 724):

* See Opinion at R., p. 778, line 10, and at R., p. 779, lines 7 & 8.

> "*Viewed after the event,* the means Anthony adopted seem simple and such as should have been obvious to those who worked in the field, but this is not enough to negative invention." (citing cases)

And, as stated in *Expanded Metal Co.* v. *Bradford, supra:*

> "It is suggested that Golding's improvement, while a step forward, is nevertheless only such as a mechanic skilled in the art, with the previous inventions before him, would readily take; and that the invention is devoid of patentable novelty. It is often difficult to determine whether a given improvement is a mere mechanical advance, or the result of the exercise of the creative faculty amounting to a meritorious invention. *The fact that the invention seems simple after it is made does not determine the question; if this were the rule, many of the most beneficial patents would be stricken down.*"

It is submitted, therefore, that the Court of Appeals' decision at bar was the result of its failure to realize and apply the correct principles governing the patentability of claims drawn to a "combination" and that the Court of Appeals should *not* have (under the applicable decisions) reversed the trial court's fact-finding of invention, and, in this respect also, the Court of Appeals, in the case at bar, has so far departed from the accepted and usual course of legal proceedings as to call for the exercise of this Court's power of supervision.

ARGUMENT OF POINT 9: The reversing decision of the Court of Appeals is based on a defense or ground

9-A) which was not pleaded, noticed, urged or considered in the trial court and

9-B) which was not assigned or specified in defendant's Statement of Points under Rule 75-d;—

WHEREFORE plaintiff did not have its day in court and has been deprived of its property without due process of law.

Argument of Point 9-A

Rule 8-c of the Federal Rules of Civil Procedure provides:

> "Affirmative defenses. *In pleading to a preceding pleading, a party shall set forth . . . any . . . matter constituting an . . . affirmative defense.*"

Rule 12-b of the Federal Rules of Civil Procedure provides:

> "*Every defense, in law or fact, to a claim for relief in any pleading . . . shall be asserted in the responsive pleading thereto* if one is required, except that the following defenses may at the option of the pleader be made by motion: . . . A motion making any of these defenses shall be made before pleading if a further pleading is permitted."

Rule 12-h of the Federal Rules of Civil Procedure provides:

> "*A party waives all defenses* and objections *which he does not present either by motion** as hereinbefore provided *or*, if he has made no motion, *in his answer* or reply . . ."

The only two exceptions to the waiver specified by Rule 12-h are failure to state a claim and lack of jurisdiction over the subject matter (neither of which is applicable in the present case).

In *Mumm* v. *Decker*, 301 U.S. 168, 171 (81 L. Ed. 983, 985) this Court held that

* Defendant did present the defense of "want of invention on the face of the patent" by its Motion for Summary Judgment, but withdrew such motion on the hearing thereon (see last 6 lines of page 67, *infra*, and first 13 lines on page 68, *infra*, and Line 9 and Column 14 of Patent-Defense Chart).

"prior publication or prior use or *the other matters to which Rev. Stat. §§ 4886 and 4887 refer . . . are matters of affirmative defense.*"

The only defenses ever pleaded or noticed by defendant, going to "non-invention" or "want of invention", were contained in paragraphs 16, 17 and 18 (R., p. 10-11) and the last four lines of paragraph 4 (R., p. 8) of its Answer, reflected in Lines 9, 12 (& 13-17) and 19 (& 20-36) of the *patent-defense Chart* at the end of this brief.

With the exception of the last 4 lines of paragraph 4 (R., p. 8), the parts of the Answer which go to the question of non-invention are contained in paragraphs 16, 17 and 18 (R., p. 10-11) of the Answer and are all predicated upon alleged "prior-use" or the "prior-art" or the "state of the (prior) art", and *not* upon "want of invention on the face of the patent". These parts of the Answer (predicated upon the "prior-art" or the "state of the prior-art" or upon alleged "prior-use") are as follows:

"16. . . . the alleged invention or improvement described in said Letters Patent . . . do not exhibit or embody any substantial variation or change from what belonged to **the state of the art** as it existed at the time of the alleged invention or discovery thereof by . . . Hollingshead and did not then involve the exercise of inventive faculty . . . within the meaning and intent of the statutes relating thereto."

"17. . . . said Letters Patent . . . invalid and void because the alleged inventions, improvements or discoveries purporting to be patented therein, . . . were published, described and known **prior** to the alleged invention and discovery thereof by . . . Hollingshead, or more than two years prior to the filing of his application for said Letters Patent, in and by the following **publications**, to wit:

(listing publications)

"18. . . . said Letters Patent . . . invalid and void because . . . Hollingshead . . . not the original or first inventor or discoverer of the alleged inventions, improvements or discoveries purporting to be patented therein . . . but that the same . . . were, **prior** to the said alleged invention thereof by . . . Hollingshead, known to and in **public use by others** in this country, and were invented by others before the said patentee applied for said patent or before his alleged invention or discovery, **who were using reasonable diligence in adapting and perfecting the same,** to wit,

(listing the names and addresses of such "others").

. . . . . ."

The last four lines of paragraph 4 of defendant's Answer (R., p. 8) had reference to the defense of want of invention *on the face of the patent*, as such defense had then been upheld by the U. S. District Court for the Southern District of California in *Park-In* v. *Rogers, supra;*—defendant's Answer (R., p. 7-11) at bar having been filed *after* the District Court of California handed down said decision and *before* the reversing decision (130 F. 2d 745, 748) of the Court of Appeals of the Ninth Circuit was handed down. This defense was *withdrawn* on Pre-Trial Conference as shown in *paragraph 2* of the *Order on Pre-Trial Conference* (R., p. 22) *after* the 9th Circuit's decision in *Park-In* v. *Rogers* (130 F. 2d 745).

Before withdrawing its defense of invalidity appearing *on the face of the patent* as originally contained in paragraph 4 (R., p. 8) of its Answer, defendant also filed and brought on for hearing a Motion (R., p. 12-13) for Summary Judgment* (R., pp. 12-14) in which the defendant at bar (as did the defendant in the California case),

* Obviously copied from the Motion for Summary Judgment filed by the defendant *Rogers* in the California case, which had theretofore been sustained by the District Court, as may be seen by a comparison of Motion for Summary Judgment in the California case (which is *Appendix B* hereto) with the Motion for Summary Judgment at bar (R., pp. 12-14).

urged the same defense, namely, the invalidity, inter alia, "for want of invention on the face of the patent".

Defendant's Motion for Summary Judgment (R., pp. 12-14) in the case at bar, came on for a hearing on April 6, 1942, some five months *before* the Court of Appeals for the Ninth Circuit handed down its decision (130 F. 2d 745) on September 14, 1942. Notwithstanding that the decision of the District Court in California in *Park-In* v. *Rogers* had, at that time, not yet been reversed, upon this hearing defendant at bar withdrew its Motion for Summary Judgment as shown by the Order of July 20, 1942 (R., p. 16-17). This motion was never renewed and no motion to like effect was ever filed thereafter.

The other defense sustained by the California District Court (and likewise reversed by the Court of Appeals for the Ninth Circuit), namely, "a lack of patentable subject matter" was pleaded (in the case at bar) in paragraph 15 of the Answer (R., p. 9) and also in that part of paragraph 16 of the Answer (R., p. 10) which is in the words:

> "16. Further answering, defendant avers that the alleged invention or improvement described in said Letters Patent and purported to be patented thereby . . . did not . . . constitute subject matter of invention proper to be secured by the grant of Letters Patent within the meaning and intent of the statutes relating thereto.",

and was likewise included in defendant's *withdrawn* (R., p. 16-7) Motion for Summary Judgment (R., pp. 12-14).

While defendant did, from time to time thereafter (before trial) amend its Answer a number of times to plead additional defenses and gave notices of additional defenses (all patent-defenses being summarized in the *patent-defense Chart* at the end of this brief), defendant never thereafter re-asserted (by pleading, notice or otherwise) any defense or contention that the patent was invalid for *want of invention on its face.*

This is further indicated by defendant's *Opening Statement,* upon the trial, reproduced in *Appendix F* hereto.

In defendant's *Statement of Points* under Rule 75-d (R., pp. 436-8), the *only* ground of non-invention or want of invention raised by defendant is in paragraph 2 of Section I (R., p. 436), in the words:

> 2. The disclosures of said patent . . . **lack invention, in view of the prior** knowledge of those skilled in the **art, as shown by the record herein."**

Paragraph 1 of Section I of defendant's *Statement of Points* (R., p. 436) merely goes to the defense of lack of patentable subject matter* which was not sustained either by the trial court or by the Court of Appeals in the case at bar (as reflected in *Line 7* of the *patent-defense Chart* at the end of this brief.)

Paragraph 3 of Section 1 of defendant's *Statement of Points* (R., p. 436) merely goes to the defense[2] pleaded in defendant's Further Answer filed December 22, 1944 (R., p. 27) and reflected in *Line 18 and Column 18* of the *patent-defense Chart* at the end of this brief, which defense was not sustained either by the trial court or by the Court of Appeals (R., pp. 774/28 to 775/15).

Paragraph 4 of Section I of defendant's *Statement of Points* (R., p. 437) asserts the indefiniteness of the claims of the patent-in-suit, which was *never* pleaded or noticed, as shown in *Line 37* of the *patent-defense Chart* at the end of this brief, and this defense was *not* sustained either by the trial court or by the Court of Appeals.

In *Paragraph 5 of Section I* of defendant's *Statement of Points* (R., p. 437) goes to the defense of non-infringe-

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* i. e., that the drive-in theatre is neither a "manufacture" or a "machine" or an "art" within the meaning of 35 USC 31.

[2] i. e., "inadequacy of disclosure", namely, that the patent-in-suit does not contain sufficient disclosure of how to build Hollingshead's drive-in theatre, as would enable a person, skilled in the art, to make, construct and use the same, as required by 35 U.S.C. 33.

ment which was contained in paragraph 12 of the Answer (R., p. 9) which defendant withdrew on Pre-Trial Conference as shown in paragraph 8 of the Order on Pre-Trial Conference (R., p. 23) so that, upon the trial, the allegations of infringement contained in paragraph 12 of the Complaint (R., p. 7) stood admitted and no longer at issue. Because of this, the defense of non-infringement was not included in the *patent-defense Chart* at the end of this brief. The defense of non-infringement was *not* sustained by the Court of Appeals.

Paragraph 6 of Section I of defendant's *Statement of Points* (R., p. 437) merely alleges error in the trial court's findings and conclusions but does *not* rely upon or raise any specific defense or ground of invalidity or "want of invention".

Section II (R., p. 437-8) of defendant's *Statement of Points* merely goes to the contract phase of the suit and to defenses of alleged "patent misuse" which were *not* sustained either by the trial court nor by the Court of Appeals and are therefore not in issue here.

Defendant concluded its statement of "*Defendant's Position*" in its brief in the Court of Appeals (reproduced in *Appendix G* hereto) with the words:

> "The defenses relied upon are among those specified in defendant's Statement of Points (R., p. 436)".

It is respectfully submitted that defenses not presented in the Answer (or by way of motion) cannot be the proper or valid basis for the reversal of the trial court's judgment* for plaintiff.

Rule 8-c (page 65, *supra*) of the Federal Rules of Civil Procedure provides that affirmative defenses must be pleaded in an answer.

As stated by the U. S. Court of Appeals for the 8th Circuit in *Nakdimen* v. *Baker*, 111 F. 2d 778, 782 (certiorari denied 311 U.S. 655), where a defendant does not

* See Moore's Federal Practice (Second Edition), pages 23, 28-9, and cases that cited applying Rule 12-h.

plead "an affirmative defense and the issue was not raised, considered nor passed upon in the district court . . . the defense cannot be raised in this court for the first time."

In *Schmidtke* v. *Conesa*, 141 F. 2d 634, 635 (CCA 1) the Court ruled that it was not free to consider (on appeal) issues not raised by the pleadings below, and stated:

> "Furthermore, without amendment of the pleadings the issue of the plaintiff's exemption as a professional employee is no more before us than it was before the court below. See *Cohen* v. *United States*, 8 Cir., 129 F. 2d 733, 737. See also *Carroll* v. *Paramount* Pictures, D. C., 3 F.R.D. 47, 48."

To like effect is *Federal Deposit Insurance Corp.* v. *Congregation Poilen Tzedeck*, 159 F. 2d 163, 167 (CCA 2).

The waiver provision of Rule 12-h (page 65 *supra*) has also been uniformly applied but by other U. S. Courts of Appeal, as shown by the following decisions:

Edward B. Marks Music Corp. v. *Jerry Vogel Music Co.*, 140 F. 2d 268, 270 (CCA 2);

Roe v. *Sears, Roebuck & Co.*, 132 F. 2d 829, 832 (CCA 7);

Chicago Great Western Ry. Co. v. *Peeler*, 140 F. 2d 865, 868, (CCA 8);

Trounstine v. *Bauer, Pogue & Co.*, 144 F. 2d 379, 383 (CCA 2).

The Federal Rules of Civil Procedure have the force of Statute, as stated in *John R. Alley & Co.* v. *Federal National Bank*, 124 F. 2d 995, 998 (CCA 10):

> "The new rules have the force and effect of statutes. *Sibbach* v. *Wilson & Co.*, 312 U. S. 1, 61 S. Ct. 422, 427, 85 L. Ed. 479."

To the same effect is

Nash v. *Raun*, 67 F. Supp. 212, 217 (DC WD Pa).

The Fifth Amendment of the Constitution (which is applicable to the Federal Government and its Courts) provides, inter alia:

> "no person shall be . . . deprived of . . . property without due process of law . . ."

Petitioner therefore respectfully submits that in so reversing the trial court's fact-finding of invention and in holding plaintiff's patent in suit invalid, upon a ground or defense not pleaded, noticed, urged or considered in the trial court (namely the ground or defense of want of invention on the face of the patent*) the U. S. Court of Appeals, in the case at bar, has deprived plaintiff of valuable property without affording plaintiff its day in court in respect to the defense sustained by the Court of Appeals and without due process of law, in violation of the Fifth Amendment of the Constitution of the United States (and also in violation of the Federal Rules of Civil Procedure) and in conflict with the above-cited decisions of U. S. Courts of Appeal, and, in so doing, the U. S. Court of Appeals for the First Circuit has so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision.

---

* i. e.

a) without reliance upon any of the prior art patents, publications or the alleged prior use of record and assigned in defendant's *Statement of Points* under Rule 75-d

and

b) in disregard of all evidence tending to fortify the presumption of invention flowing from the grant of the patent and supporting the trial court's fact-finding of invention (all such evidence the Court of Appeals held was "beside the point").

Argument of Point 9-B

Rule 75-d of the Federal Rules of Civil Procedure provides that

> "If the appellant does not designate for inclusion the complete record and all the proceedings and evidence in the action, he *shall serve* with his designation a concise *statement of points* on which he intends to rely on the appeal."

The Federal Rules of Civil Procedure have the force of statute (see last 8 lines of page 71, *supra*).

In the case at bar, defendant-appellant (respondent at bar) did not designate, for inclusion, the complete record and all the proceedings and evidence in the action. Hence, defendant's *Statement of Points* appearing on pages 436 and 437 of the printed Record herein.

As pointed out more fully on foregoing pages 69 and 70 hereof, the *sole* basis assigned by respondent (defendant) in its *Statement of Points* under Rule 75-d for any contention of "non-invention" or "lack of invention" or "want of invention", was

> "lack of invention in view of the prior . . . art as shown by the record herein" (R., p. 436).

As also pointed out more fully on foregoing pages 69 to 70 hereof, defendant's *Statement of Points* under Rule 75-d did *not* assign or specify *lack of invention on the face of the patent* (for the reason, no doubt, that this defense was not pleaded).

This Court, in *Jesionowski* v. *Boston & Maine R. R.*, 329 U.S. 452, 458-9 (91 L. Ed. 416, 421), affirmed the interpretation of Rule 75-d, that a Court of Appeals may not consider a ground or contention not specified in appellant's *Statement of Points* under Rule 75-d, and said:

> "Respondent also urges here, as it did in the Circuit Court of Appeals, that because the trial judge directed a verdict for it on the first count of

the complaint, which charged a defect in the car, track or roadbed, the court was not justified in submitting to the jury the question of a defect in these respects under the second count. The Circuit Court held that this question was not properly raised before it because respondent had failed on appeal to make 'a concise statement' of the point as required by Rule 75(d) of the Rules of Civil Procedure Respondent argues that the question was properly raised, though not specifically, by its general point that 'the doctrine of *res ipsa loquitur* is not applicable to the facts of this case.' We cannot hold that the Circuit erred when it refused to consider the question because of respondent's failure to comply with Rule 75(d)."

To like effect are the following decisions:

Ritchie v. *Drier*, 165 F. 2d 238, 240 (U.S. App. D.C.);
Kuper v. *Betzer*, 127 F. 2d 84, 85 (CCA-8).

While the *due process* provision of either the 5th Amendment or the 14th Amendment to the Constitution of the United States does not, in and of itself, require that a right of appeal shall exist (*District of Columbia* v. *Clawans*, 303 U.S. 617, 627; 81 L. Ed. 843, 847), yet as stated in *Boykin* v. *Huff*, 121 F. 2d 865, 872 (App. D.C.):

"While due process under the Fifth Amendment, as under the Fourteenth, does not require appellate review, nevertheless when Congress creates that right it is not free from all constitutional restrictions, including the obligation not to make unreasonable discriminations."

To like effect is *Frank* v. *Mangum*, 237 U.S. 309, 327, (59 L. Ed. 969, 980), wherein this Court stated:

"But it would be clearly erroneous to confine the inquiry to the proceedings and judgment of the

> trial court. The laws of the state of Georgia (as will appear from decisions elsewhere cited) provide for an appeal in criminal cases to the supreme court that state upon divers grounds, including such as those upon which it is here asserted that the trial court was lacking in jurisdiction. And while the 14th Amendment does not require that a state shall provide for an appellate review in criminal cases (citing cases), it is perfectly obvious that where such an appeal is provided for, and the prisoner has had the benefit of it, the proceedings in the appellate tribunal are to be regarded as a part of the process of law under which he is held in custody by the state, and to be considered in determining any question of alleged deprivation of his life or liberty contrary to the 14th Amendment."

To like effect is the decision of this Court in *Saunders* v. *Shaw*, 244 U.S. 317 (61 L. Ed. 1163).

As stated in *United States* v. *Henson*, 21 F. Supp. 616, 618 (DC ED Pa. Maris, J.):

> "The due process of law to which the Fourteenth Amendment refers is not confined to the proceedings and judgment of the trial court. It includes also proceedings on appeal in the state court."

Non-invention or want of invention on the face of the patent* was pleaded[2] in the last four lines of paragraph 4 (R., p. 8) of the Answer and was also made the basis of *ground "c"* of defendant's Motion for Summary Judgment (R., p. 13). Its motion for summary judgment having been *withdrawn* on March 14, 1942 *on the hearing on said motion*, as shown by the Order of July 20, 1942

* i. e., (*a*) without reliance upon any prior-art of record and (*b*) without admitting any evidence to fortify the legal presumption of invention inherent in the granting of the patent.

[2] In reliance upon the then unreversed ruling of the District Court for the Southern District of California in *Park-In* v. *Rogers*, *supra*, that the patent here in suit is invalid, inter alia, for want of invention on the face of the patent.

(R., pp. 16-7) and the aforesaid pleading (in paragraph 4 of the Answer) having been *withdrawn* on Pre-Trial Conference on November 16, 1944, as shown by paragraph 2 of the Pre-Trial Order (R., p. 22) of November 16, 1944, and this defense of *non-invention on the face of the patent* not having been urged or considered in the trial court, and not having been assigned or specified in defendant's *Statement of Points* under Rule 75-d, it was clearly a deprivation of property without due process to have reversed the trial court's fact-finding of invention and to have reversed the trial court's judgment for plaintiff, as was done by the Court of Appeals in the case at bar, and plaintiff has therefore not had its day in court in respect to this defense.

It was, no doubt, in recognition of the above-cited applicable rules and authorities that defendant concluded its statement of "Defendant's Position (*Appendix G* hereto) in its brief in the Court of Appeals in the following words:

> "The defenses relied upon are among those specified in Defendant's Statement of Points (R., p. 436)."

The above-quoted concluding statement, coupled with the fact that the only ground assigned in its *Statement of Points* for any contention of *non-invention* was "lack of invention in view of the prior . . . art as shown by the record herein" (R., p. 436), together with the failure of defendant to set forth any distinct statutory grounds in its aforesaid statement of "Defendant's Position" (*Appendix G*) going to the question of "invention", and its reliance, throughout its brief in the Court of Appeals, upon prior patents and publications and upon an alleged prior-use pleaded and offered in evidence and of record,[2] all served to distract attention from (and made it impossible for plaintiff to anticipate) the real basis of patent-invalidity later adopted by the Court of Appeals.

[2] See footnote 2 on page 13, *supra*, and see Column 28 of the Patent-Defense Chart.

Petitioner therefore respectfully submits that in so reversing the trial court's fact-finding of invention and in holding plaintiff's patent in suit invalid, upon a ground or defense not assigned or specified in defendant's Statement of Points under Rule 75-d (namely, the ground or defense of want of invention on the face of the patent), the U. S. Court of Appeals, in the case at bar, has deprived plaintiff of valuable property without due process of law, in violation of the Fifth Amendment to the Constitution of the United States (and also in violation of the Federal Rules of Civil Procedure) and in conflict with the above-cited decisions of this Court and of U. S. Courts of Appeal, and, in so doing, the U. S. Court of Appeals for the First Circuit has so far departed from the accepted and usual course of judicial proceedings as to call for the exercise of this Court's power of supervision.

Conclusion

Petitioner therefore respectfully submits that for each of the *Reasons relied upon for the Allowance of Writ of Certiorari* as set out on pages 15 to 24 of the Petition, and as covered by the correspondingly numbered *Argument-Points* on the preceding pages of this Brief, this Case is one in which a Writ of Certiorari should be granted.

Respectfully submitted,

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claim-concordance notes

1 the screen 12 shown, for instance, in Figures 1, 2, 3 & 4 of the drawings of the patent-in-suit (R. pp. 441 & 443)

2 that is, there is a stall-way or *ramp* (or a pair of stall-ways or *ramps*) in front of and behind each drive-way (except possibly the front-most drive-way and the rear-most drive-way)

3 namely, the drive-ways 15, shown in Figures 1, 2, 3, 4, 5, 6, 7 & 8 of the drawings of the patent-in-suit (R. pp. 441-445), which adjoin and merge with the wedge-shaped car-aiming ramps

4 that is, tilted *away* from the screen, as illustrated, for instance, in Figures 3 to 8, inclusive, of the patent-in-suit (R. pp. 443 & 445)

5 the stall-ways have come to be generally referred to (since Hollingshead's invention has gone into general use) as the "car-aiming ramps" or as the "car-tilting ramps" or as the "car-focusing ramps", or just "ramps" for short (see also note 12, below)

6 that is, a vertical angle-of-vision bounded by the two lines which extend from the eye of the car-occupant (in the front or back seat) through the lower and upper edges, respectively, of the wind-shield;—which vertical angle-of-vision will embrace the full vertical dimension of the screen

7 that is, the automobiles which are either on one of the forward car-aiming *ramps* or on one of the forward drive-ways

8 the bulkhead 21, illustrated, for instance, in Figures 4 to 8, inclusive, of the drawings of the patent-in-suit (R. pp. 443 & 445)

9 the projection booth 26, shown schematically or diagrammatically, in Figures 1, 2 & 3 of the drawings of the patent-in-suit (R. pp. 441 & 443)

10 the sound reproducing means are loud-speakers (patent at R. p. 448, lines 78-80 & 84)

11 i.e. "distributed at suitable points" (patent at R. p. 448, lines 74 & 75) on "said stall-ways" or ramps. One of the several illustrations of such "operative relation", pointed out in the specification of the patent-in-suit, is to have the *loud-speakers* "distributed at suitable points in the field" (patent at R. p. 448, lines 74 & 75) so that the "operative relation to said stall-ways" in claims 5 and 6 is the distribution of the loud-speakers "at suitable points" on "said stall-ways" or car-aiming ramps which are the "suitable points in the field" specified in Claims 5 and 6

12 the "automobile tilting means" are the inclined or wedge-shaped *ramps* (see note 5, above) on which the car can be longitudinally inclined (see note 6, above) to varying degrees according to the need of and selection by the car-occupant

13 the car-aiming *ramps* towards the rear are generally higher than those toward the front, as illustrated, for instance, in Figures 3, 6 & 8 of the drawings of the patent-in-suit (R. pp. 443 & 445)

14 the car-aiming *ramps* toward the rear have a lesser inclination, while the car-aiming *ramps* toward the front are at a steeper incline to the horizontal, as illustrated, for instance, in Figures 3, 6 & 8 of the drawings of the patent-in-suit (R. pp. 443 & 445)

applicability of the above claim-concordance notes

	claim-concordance notes													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Claim 2:	•	•	•	•	•	•	•							
Claim 4:	•	•	•	•	•	•	•	•						
Claim 5:	•	•	•	•	•	•	•			•	•			
Claim 6:	•	•	•	•	•	•	•	•	•	•	•			
Claim 10:	•	•	•		•	•	•					•		
Claim 15:	•	•	•	•	•								•	•
Claim 16:	•		•	•	•	•	•						•	•
Claim 19:	•	•	•	•	•	•	•						•	•

The claims of the Hollingshead patent in suit

Claims 2, 4, 5, 6, 10, 15, 16 and 19 of the Hollingshead patent-in-suit, in issue, which defendant has admitted infringing (by the *withdrawal* of its denial* of the allegations of paragraph 12 (R., p. 7) of the Complaint), and which the District Court found to have been infringed by defendant, read as follows (superior numerals, in text of claims, referring to our claim—concordance notes facing this page):

2) An outdoor theater comprising a stage[1], alternate[2] rows[3] of curvilinear automobile drive-ways[3] and curvilinear and vertically inclined[4] automobile stall-ways[5] arranged in front of the stage[1], said stall-ways[5] being adapted to receive automobiles disposed adjacent to each other and facing the stage[1];—said automobile stall-ways[5] being at a vertical angle[4] with respect to the stage[1] such as will produce a clear angle of vision[6] from the seat of the automobile, through the windshield[6] thereof to the stage[1], free of obstruction from the automobiles ahead[7] of it.

4) An outdoor theater comprising a stage[1], alternate[2] rows[3] of curvilinear automobile drive-ways[3] and curvilinear and vertically inclined[4] automobile stall-ways[5] arranged in front of the stage[1], said stall-ways[5] being adapted to receive automobiles disposed adjacent to each other and facing the stage[1];—said automobile stall-ways[5] being at a vertical angle[4] with respect to the stage[1] such as will produce a clear angle of vision[6] from the seat of the automobile, through the windshield[6] thereof to the stage[1], free of obstruction from the automobiles ahead[7] of it, and an abutment[8] along the front boundary of each of said stall-ways[5] for limiting the forward position of the automobiles therein.

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* See paragraph 8 of the pre-trial Order (R., p. 23).

5) An outdoor theater comprising a screen[1], alternate[2] rows[3] of automobile drive-ways[3] and vertically inclined[4] automobile stall-ways[5] arranged in front of the screen[1], said stall-ways[5] being adapted to receive automobiles disposed adjacent to each other and facing the screen[1];—said automobile stall-ways[5] being at an angle[4] with respect to the screen[1] such as will produce a clear angle of vision[6] from the seat of the automobile, through the windshield[6] thereof to the screen[1], free of obstruction from the automobiles ahead[7] of it, a motion picture projection booth[9] in operative relation to said screen[1] and electrical sound reproducing means[10] in operative relation[11] to said stall-ways[5].

6) An outdoor theater comprising a screen[1], alternate[2] rows[3] of automobile drive-ways[3] and vertically inclined[4] automobile stall-ways[5] arranged in front of the screen[1], said stall-ways[5] being adapted to receive automobiles disposed adjacent to each other and facing the screen[1];—said automobile stall-ways[5] being at an angle[4] with respect to the screen[1] such as will produce a clear angle of vision[6] from the seat of the automobile, through the windshield[6] thereof to the screen[1], free of obstruction from the automobiles ahead[7] of it, an abutment[8] along the front boundary of each of said stall-ways[5] for limiting the forward position of the automobiles therein, and a motion picture projection booth[9] in operative relation to said screen[1], and electrical sound reproducing means[10] in operative relation[11] to said stall-ways[5].

10) An outdoor theater comprising a stage[1], alternate[2] rows[3] of automobile drive-ways[3] and automobile stall-ways[5] arranged in front of the stage[1], said automobile stall-ways[5] being adapted to receive automobiles disposed in generally adjacent relation to each other and facing the stage[1], and means for longitudinally tilting[12] the automobiles in said stall-ways[5] in order to produce a generally clear angle of vision[6] from the seat of the automobile through the windshield[6] thereof to the stage[1], generally, free of obstruction from the automobiles ahead[7] of it.

15) An outdoor theater comprising a stage[1], alternate[2] rows[3] of automobile drive-ways[3] and automobile stall-ways[5] arranged in front of the stage[1], said automobile stall-ways[5] being adapted to receive automobiles disposed generally adjacent to each other, said automobile stall-ways[5] being vertically inclined[4] with respect to the horizontal, and successive stall-ways[5], removed from the stage[1], being successively higher[13], and successive stall-ways[5], removed from the stage[1], being at successively lesser angles[14] with respect to the horizontal.

16) An outdoor theater comprising exhibiting means[1] and space for spectators in front thereof, inclined[4] means[5] for supporting automobiles in such space in rows[5] further and further from said exhibiting means[1], the supporting means[5] in the rows[5] further and further away from the exhibiting means[1] being higher[13] and less inclined[14] successively to an extent as will produce a clear line of vision[6] from the seat of an automobile in a row[5], through a windshield[6] thereof to the exhibiting means[1], free of obstruction from the automobile ahead[7] of it, and an automobile drive-way[3] leading to and from said supporting means[5] of a row[5].

19) An outdoor theater comprising exhibiting means[1] and space for spectators in front thereof, inclined[4] means[5] for supporting automobiles in such space in rows[5] further and further from said exhibiting means[1], the supporting means[5] in the rows[5] further and further away from the exhibiting means[1] being higher[13] and less inclined[14] successively to an extent as will produce a clear line of vision[6] from the seat of an automobile in a row[5], through a windshield[6] thereof to the exhibiting means[1], free of obstruction from the automobile ahead[7] of it, and an drive-way[3] at the back of the automobile supporting automobile drive-way[3] at the front and an automobile means[5].

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In the

Supreme Court of the United States

No. 170 October Term, 1949

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

Appendices
A, B, C, D, E, F & G
to the Petition for Writ of Certiorari
and
to the Brief in Support Thereof

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Appendix A

Defendant's Answer

filed April 4, 1940

in *Park-In Theatres Inc.* v. *M. A. Rogers*

130 F. 2d 745 (CCA-9)

Defendant above named, M. A. Rogers, answers the Complaint herein as follows:

I. Referring to paragraph I of the Complaint, this defendant is without knowledge of the allegations therein contained and therefore denies the same.

II. Referring to paragraph II of the Complaint, this defendant denies each and every allegation therein contained, except that he admits that he resides in the City of San Bernardino, California, and is a citizen of said state and maintains a regular and established place of business in or near the City of Redlands, California.

III. Referring to paragraph III of the Complaint, subdivision (2), this defendant denies each and every allegation therein contained.

IV. Referring to paragraph IV of the Complaint, this defendant is without knowledge of the allegations contained in each and all of the subdivisions thereof and therefore denies the same.

V. Referring to paragraph V of the Complaint, this defendant denies each and every allegation therein contained.

VI. Referring to paragraph VI of the Complaint, this defendant admits receiving a form of written notice of the said Letters Patent and of the alleged infringement, but denies that in spite of said notice or otherwise that he has

continued infringing or has at all infringed the said Letters Patent.

VII. Referring to paragraph VII of the Complaint, this defendant denies each and every allegation therein contained.

Further answering the Complaint:

VIII. Defendant specifically denies any and all infringement of the Letters Patent referred to in the Complaint.

IX. Defendant, on information and belief, alleges that said Letters Patent are invalid and void for each of the following reasons:

(*a*) Because the alleged invention, or discovery thereof, was patented or described in printed publications in this or foreign countries prior to the said alleged invention or discovery thereof by the said patentee, or more than two years prior to the application for said patent now by said patentee, and which said patents and publications defendant is now unable to identify or to furnish the full data concerning same, but begs leave to add hereto by proper amendment to this answer when such information is obtained.

(*b*) Because the patentee named therein was not the first, original or sole inventor of the alleged improvements disclosed and claimed therein, but on the contrary, the same, in all their material and substantial respects, were invented by others before the said patentee applied for said patent or before his alleged invention or discovery, who were using reasonable diligence in adapting and perfecting the same, the names, addresses, places, and dates of invention of whom defendant is not at present possessed, but begs leave to add hereto by proper amendment to this, his answer, when such information is obtained.

(*c*) Because the alleged invention was in public use and/or on sale in this country before the alleged invention or discovery thereof, by the said patentee, or more than two years prior to the said application for patent and by divers other firms, corporations, associations and individuals, whose names and places of public use or sale this defendant is not at present advised, but begs leave to add thereto by proper amendment to this, his answer, when such information is obtained.

(*d*) Because the alleged invention of said Letters Patent does not constitute patentable invention as distinguished from the ordinary skill of one versed in the art, as established by the instances thereof enumerated in paragraphs (*a*), (*b*) and (*c*) hereof and common knowledge among those skilled in the art to which said Letters Patent relate.

(*e*) Because the alleged invention disclosed therein is incapable of accomplishing any new, original or useful result or improvement.

(*f*) Because from want of invention and because the subject matter of said Letters Patent does not relate to a properly patentable invention within the meaning of the statutes in such case made and provided.

(*g*) Because for the purpose of deceiving the public the respective descriptions and specifications filed in the Patent Office were made to cover less than the whole truth relevant to the alleged invention, or were made to cover more than was necessary to produce the desired effect.

(*h*) Because the description of the alleged invention in the specification of said patent was not in such full, clear, concise and exact terms as to enable any person skilled in the art or science to which they appertain, or with which they are most nearly connected, to make, construct, compound or use the same.

(*i*) Because the subject matter of said Letters Patent and of each claim thereof attempts to claim a combination of apparatus and method and which said method constitutes the mere function only of the apparatus or mechanism or thing disclosed or described in said Letters Patent.

X. This defendant, upon information and belief, avers that by reason of the proceedings in the United States Patent Office during the prosecution of the application which resulted in the said Letters Patent in suit, and the admissions therein made by or on behalf of the alleged inventor in order to induce the grant of the said Letters Patent, plaintiff is estopped to claim for said Letters Patent a construction, were the same otherwise possible, as would cause said Letters Patent to cover or include any apparatus or device manufactured, use, or sold, or caused to be manufactured, used, or sold, by this defendant.

XI. This defendant avers that the result produced by the association of parts, means, elements, or steps described, respectively, in said Letters Patent in suit and each and every of the claims thereof is not a product of combination but a mere aggregation of several effects, each and all of which several effects, as well as parts, means, or elements necessary for their production, were matters of common knowledge among those skilled in the art to which said Letters Patent relates before the alleged invention thereof by said Richard M. Hollingshead, Jr., and more than two years prior to the date of the application for said Hollingshead Letters Patent, and do not represent patentable combinations, but only aggregations of old and well known parts, means, elements, or steps.

This defendant further avers that plaintiff is estopped to assert infringement of the said Letters Patent by this defendant or to maintain this suit by reason of the delay and laches on the part of plaintiff in instituting suit.

Wherefore, this defendant denies that plaintiff is entitled to the relief prayed for or to any relief, and prays to be hence dismissed with his costs in this cause sustained, and for such other and further relief as to the court may seem just.

Appendix B

Defendant's Motion for Summary Judgment

filed November 22, 1940

in *Park-In Theatres Inc.* v. *M. A. Rogers*

130 F. 2d 745 (CCA-9)

The defendant, M. A. Rogers, moves the Court as follows:

I. For summary judgment pursuant to Rule 56 (b) Federal Rules of Civil Procedure in favor of defendant as to all of the claims asserted by plaintiff, on the ground that the patent sued on herein, and more particularly claims 1, 2, 5, 9, 10, 11, 12, 13, 14, and 15 thereof, is invalid.

II. To dismiss the action pursuant to Rule 56 (b) Federal Rules of Civil Procedure because the complaint fails to state a claim against defendant upon which relief can be granted.

The grounds for this motion are as follows: That the patent sued on by plaintiff herein is invalid on its face for

(*a*) Want of patentable subject matter
(*b*) Want of patentable combination (aggregation)
(*c*) Want of invention
(*d*) Undue multiplicity of claims.

This motion is based on Rule 56 Federal Rules of Civil Procedure, and more particularly on subdivision (*b*) thereof, which reads as follows:

"Rule 56. Summary Judgment. * * *

(b) For Defending Party. A party against whom a claim, counterclaim or crossclaim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting affidavits for a summary judgment in his favor as to all or any part thereof."

On the hearing of this motion defendants will rely upon the following:

I. The complaint on file in this cause.

II. The hereunto annexed printed copy of the patent in suit, and a certified copy thereof to be substituted at or prior to the hearing of the motion.

III. The notes and annotations to Rule 56 appearing in Balter's Federal Rules of Civil Procedure 1938 Edition, and in the Manual of Federal Procedure 1940 Edition.

IV. The accompanying points and authorities.

Appendix C

Memorandum of Conclusions

filed by Judge Hollzer on February 8, 1941

in *Park-In Theatres Inc.* v. *M. A. Rogers*

130 F. 2d 745 (CCA-9)

It appearing that the invention embraced in the patent in suit essentially consists of an architectural design or plan comprising driveways and stallways for an outdoor theatre so constructed that the performance may be seen and heard from a series of automobiles so arranged in relation to the stage or screen that the successive cars behind each other will not obstruct the view either while such cars are parked or while moving in or out of said theatre; and

It further appearing that said invention does not constitute a manufacture, machine or composition of matter, or any improvement thereof, and that the same does not constitute a patentable improvement within the meaning of the provisions of Title 35 USCA Section 31;

The Court concludes that the complaint fails to state a cause of action and that defendants' motion for summary judgment should be granted.

(See American Disappearing Bed Co. *v.* Arnaelsteen, 182 Fed. 324, and cases cited therein; also Fruitgrowers, Inc. *v.* Brogdex Co., 283 US 1, and cases cited.)

Minute Order.

For the reasons set forth in the memorandum this day filed, counsel for defendants are required to prepare and serve a judgment in conformity therewith.

Appendix D

Conclusions of Law

filed by Judge Hollzer on February 27, 1941

in *Park-In Theatres Inc.* v. *M. A. Rogers*

130 F. 2d 745 (CCA-9)

1. The Court has jurisdiction of the parties and of the subject matter of this cause.

2. The patent in suit, No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14, and 15, is invalid in law because the subject matter thereof does not constitute patentable subject matter within the meaning of the provisions of 35 U.S.C.A. Section 31.

3. The patent in suit, No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14, and 15, is invalid in law because the subject matter thereof does not constitute a patentable invention or improvement within the meaning of 35 U.S.C.A. Section 31.

4. The patent in suit, No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14, and 15, is invalid in law because the subject matter thereof essentially consists of an architectural design or plan which is unpatentable under the patent laws.

5. (Stricken.)

6. In view of conclusions 2 to 4, inclusive, hereof, plaintiff could not possibly prevail against defendant should a trial of the cause be had.

7. Defendant is entitled to have his Motion for a Summary Judgment granted.

8. Defendant is entitled to a Summary Judgment holding that the complaint fails to state a cause of action.

9. In view of conclusions 2 to 4, inclusive, hereof, it is not necessary to consider and decide the other grounds specified in defendant's Motion for Summary Judgment.

10. Defendant M. A. Rogers is entitled to a judgment dismissing the complaint and allowing him his costs herein incurred.

Appendix E

Appellant's Concise Statement under Rule 19 (6)

filed on August 11, 1941

in *Park-In Theatres Inc.* v. *M. A. Rogers*

130 F. 2d 745 (CCA-9)

I. The District Court erred in ordering, adjudging and decreeing that the patent in suit No. 1,909,537, granted to Richard M. Hollingshead, Jr., May 16, 1933, for Drive-In Theatre, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14 and 15, is invalid and void in law.

II. The District Court erred in ordering, adjudging and decreeing that the Complaint fails to state a cause of action, or any claim against defendant upon which relief could be granted, and that the Complaint be dismissed.

III. The District Court erred in its Conclusion of Law that the patent in suit No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14 and 15, is invalid in law because the subject matter thereof does not constitute patentable subject matter within the meaning of the provisions of 35 U.S.C.A. § 31.
U.S.C.A. § 31.

IV. The District Court erred in its Conclusion of Law that the patent in suit No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14 and 15, is invalid in law because the subject matter thereof does not constitute a patentable invention or improvement within the meaning of 35 U.S.C.A. § 31.

V. The District Court erred in its Conclusion of Law that the patent in suit No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14 and 15, is invalid in law because the subject matter thereof essentially consists of an architectural design or plan unpatentable under the patent laws.

VI. The District Court erred in its Conclusion of Law that the plaintiff could not possibly prevail against defendant should a trial of the cause be had, and defendant is entitled to have his Motion for Summary Judgment granted because the Complaint fails to state a cause of action.

VII. The District Court erred in its Finding that the subject matter of the patent claims in suit do not constitute an art, machine or manufacture, or a new and useful improvement thereof, within the meaning of 35 U.S.C.A. § 31.

VIII. The District Court erred in not adjudging and decreeing that the subject matter of the patent in suit constitutes an art, machine or manufacture, or a new and useful improvement thereof, within the meaning of 35 U.S.C.A. § 31.

IX. The District Court erred in dismissing the Complaint and denying the appellant's right to a trial on the merits.

Appendix F

Defendant's Opening Statement
on January 24, 1945
in the case at bar

(Tr. 258) "MR. CURRAN:—May it please the Court?

"THE COURT:—Yes.

"MR. CURRAN:—At this time, so that the Court may follow our defense more easily, I would like to state the nature of defense to be presented:

(here a part of defendant's Opening Statement, relating to the contract phase of the case, has been omitted, because not relevant on the Petition for Writ of Certiorari)

(Tr. 262) "In considering the patent we propose to present to Your Honor competent witnesses who can tell the Court whether or not the inventor of this alleged invention even conceived and recognized the real problem at the time he applied for the patent and up to the time that the patent was granted.

"We will show to the Court by competent witnesses that the problems that existed were not solved by this invention.

"We will further point out that the patent in suit does not, within the words of the act of Congress, 'disclose in clear, concise language' and so forth 'sufficiently to enable a person skilled in the art to construct that which the inventor thinks he may have conceived' and that, therefore, the (Tr. 263) patent is invalid.

"We will point out that this is no advancement over the prior art, that previous publications, and previous patents all make manifest, as well as writings and studies, that could have been known to this inventor, all make known to the world, as well as to Mr. Hollingshead in 1932, that the real problem that existed had been solved

by others, including a problem which he did not recognize up to the time and until after the granting of the patent.

• • • • • • • •

"We will ask the Court then to find that we can attack the validity of the patent and we will ask the Court then to find that the patent is invalid. • • •"

Appendix G

Abstract from pages 4 to 7 of

Brief for defendant-appellant

(respondent at bar)

filed in the U.S. Court of Appeals for
the First Circuit, on August 24, 1948,
in Appeal No. 4316

in the case at bar

(explanatory footnotes supplied by petitioner at bar)
(are on following pages 3g & 4g)

"Defendant's Position"

"No Patentable Invention"

"Hollingshead appears to have been the first to have the idea that a drive-in theater would be a worth-while business venture.[1 & 3] It eventually achieved a measure of commercial success, but only after[2] problems of sound distribution had been solved by others than Hollingshead. It is elementary that a profitable idea of a way of conducting a business, however meritorious, new and useful, is not patentable.[3] The right to patent must rest on the inventive genius involved in solving problems of means[3] or structure[3] by which the idea is carried into practical application.

"This case is one of the discovery of a commercial opportunity[3] rather than any invention."

"No patentable invention was involved in laying out[3] and grading a parking lot[3] for drive-in theater purposes."

"Having conceived the idea that a drive-in theater would be a good business venture,[3] Hollingshead, who was not an engineer or an architect, tried the thing out by a crude experiment in the driveway of his house. He raised a small screen up in the air, placed a car about 30 feet away and pointed the car at the screen by jacking up the front end 'so it can see the screen'. Just where else he

would aim the car is hard to imagine. He then placed a car about 30 feet back of the first car, raised that car up by jacks until he could see over the first car, and aimed it at the screen. Hollingshead then filed his patent application, with some crude sketches of a drive-in theater layout, with car locations in concentric arcs as in a theater, necessary aisles or driveways for driving in and out, and a screen and projector. Instead of the jacks which he used in his driveway, in his patent he merely piled up dirt or graded where the cars are to rest for any elevations found necessary or desirable for seeing the screen."

"That is the full extent of Hollingshead's alleged invention.[4] He had done no more than exercise common sense and use ordinary powers of observation and had done nothing requiring any inventive genius.[4] Moreover, as will appear, Hollingshead had merely applied the most elementary and familiar principles and expedients of theater arrangement, long practiced, in locating and adjusting ordinary theater seats for good vision with relation to a stage or screen. The in-door theater commonly has the essential counterparts of everything shown in the Hollingshead patent."[4]

"There was no problem calling for unusual ingenuity, certainly no problem beyond the capacity of a man skilled in the art of arranging seats for good vision in a theater.[4] Also, there had been no unsuccessful efforts[5] wherein others had tried and failed[5] to arrange and grade a lot for viewing a screen from automobile seats, to lend any support to a claim that there was any problem of means which awaited Hollingshead's advent for solution."

"Furthermore, although a theater structure might under some circumstances be patentable subject matter, what Hollingshead did was a mere design[3] or architectural layout[3] and not a 'manufacture or machine' within the patent statute."[3]

"Hollingshead's Description and Claims Fail to Comply with the Statute."

"Hollingshead's description is vague and incomplete and the claims in issue too broad, indefinite and functional to satisfy the statutory requirements."

(here, a part of "Defendant's Position", relating to the alleged "patent-misuse", has been omitted, because the Court of Appeals did not pass on the defenses based thereon)

"The defenses relied upon are among those specified in Defendant's Statement of Points (R., p. 436)."

(FOOTNOTES FOR APPENDIX G)

[1] The idea that an outdoor movie might be a worthwhile business venture *had* occurred to others long prior to Hollingshead (R., pp. 35-6, 48, 55 & 523-5), and the need for a successful drive-in theatre existed long prior to Hollingshead, but Hollingshead's drive-in theatre *construction* was the first to make a drive-in theatre practical and *hence* was the first form of *construction* which made drive-in theatres "a worthwhile business venture".

[2] This is neither relevant nor borne out by the record, because the patent itself, within its own four corners, describes the individual speakers distributed over the car-aiming ramps (R., pp. 448, lines 78-80 & 74-5 and R., p. 450, lines 49-51 & 68-70) which is the *only* "problem of sound distribution" which respondent (defendant-appellant below) relied upon on this phase of its argument (without anything in the record to show that "others than Hollingshead" solved this problem).

[3] This goes to the contention (overruled in *Park-In Theatres, Inc.* v. *M. A. Rogers, et al,* 130 F. 2d 745, CCA-9), that the drive-in theatre of the patent-in-suit is not a "machine", a "manufacture" or an "art" within the meaning of 35 U.S.C.A. 31, but is instead one or the other of the many kinds or classes of ideas (such as a *"method of doing business"* or a *"way of conducting a business"* or an *"architectural plan or layout"*) which are outside the scope of the statutory classes of "machine", "manufacture" and "art".

[4] This either goes to

a) the contention of non-invention on the *face* of the patent, *without reliance upon any of the prior-art or prior uses pleaded and of record*, in which case it goes to a defense which was *neither pleaded nor assigned* by respondent (defendant-appellant below) in its *Statement of Points* (R., pp. 436-8) under Rule 75-d (F.R.C.P.) and, as such, was not a proper matter to be considered on appeal, under *Jesionowski* v. *Boston & Maine Railroad* (329 U.S. 452, 458-9; 91 L.Ed. 416, 421),

or

b) the contention of "non-invention over the prior-art" *which was pleaded and is of record*, and as to which the trial court heard much testimony (this is not the basis of the appellate court's holding of invalidity, but if it were, then the appellate court's decision would still be in conflict with the recent decision of this Court in *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.* (U.S. ; 93 L. Ed. 492), to the effect that a trial court's fact-findings may not be reversed on appeal if there is any evidence to support them (just as a jury's verdict may not be set aside upon a fact-question on which there is any evidence sustaining the verdict).

[5] In paragraph 18 of its Answer, respondent (defendant-appellant below) affirmatively pleaded that prior to Hollingshead, others knew of drive-in theatre and "were using reasonable diligence in adopting and perfecting same". First by pre-trial deposition and then upon the trial, respondent (defendant-appellant below) introduced testimony in an effort to prove that one of such persons (so affirmatively pleaded in paragraph 18 of the Answer) was defendant's own president, Elias M. Loew, and that *his* alleged *prior* "diligence in adopting and perfecting" the subject matter of the patent-in-suit was in his own motion-picture theatre known as the "Watertown Square Theatre" near Boston. Although the evidence (and the trial court's implied finding) is that Mr. Loew *failed* to achieve a successful drive-in theatre, notwithstanding his alleged *prior* "diligence in adopting and perfecting" the subject-matter of the patent-in-suit, nevertheless this affirmative pleading, alone (standing as respondent's *judicial admission*), should have been conclusively against this appeal-contention "5", which was not pleaded nor assigned in respondent's *Statement of Points* (R., pp. 436-8) under Rule 75-d (F.R.C.P.), and the appellate court's adoption (see *patent-defense Chart:* line 11, column 29) of this (irrelevant though) supposedly factual premise "5" was in conflict with the well-established rule as to the effect of judicial admissions flowing from a party's pleadings.

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FILED
NOV 30 1949
CHARLES ELMORE CROPLEY
CLERK

In the

Supreme Court of the United States

No. 170 October Term, 1949

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

Petitioner's Brief in Reply

to brief filed by respondent in opposition
to Petition for Re-Hearing

Douglas W. McGregor
Leonard L. Kalish
Melvin R. Jenney
Thomas J. Flynn
attorneys and counsel for petitioner

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Petitioner's Brief in Reply

to brief filed by respondent in opposition to Petition for Re-Hearing

It becomes necessary to call the Court's attention to several errors in the respondent's brief.

1) Confusion and misuse of the Court's decision[1], is at the top level of the industry (and this is not merely a case of some "lay misunderstanding" or some reporting inaccuracies, as respondent's brief erroneously suggests).

Respondent's brief erroneously suggests that the confusion created in the industry is merely some "lay misunderstanding"[2] as to the decisions of the two courts[3] or merely inaccuracy "attendant upon most reporting of legal decisions",[4] and that it is merely a case of where "one or two writers in trade publications have fallen into the common lay error of thinking that denial of certiorari is an affirmance of the decision below".[5]

The Exhibits contained in the *APPENDIX* to the Petition for Re-Hearing abundantly show however that this is not merely a case of some "lay misunderstanding" or inaccuracies in reporting, but is a clear case of confusion and misuse of the Courts' decisions[1] at the top level of the industry.

Thus, as shown by Appendix-Exhibit 18,[6] on May 18, 1949,[7] *legal counsel* for Theatre Owners of America construed the decisions of the 1st and 9th Circuits as creating "*some confusion * * * in the industry*", and that

---

[1] i. e. the decision of the 1st Circuit as to which certiorari is sought, and this Court's order of October 10, 1949 denying petition for writ of certiorari

[2] Respondent's Brief, page 3, lines 12-15, and page 6, lines 11-12

[3] namely the 9th Circuit's decision in *Park-In Theatres, Inc.* v. *M. A. Rogers*, 130 F. 2d 745, and the 1st Circuit's decision in the case at bar, as to which certiorari is sought

[4] Respondent's Brief, page 8, lines 8-10

[5] Respondent's Brief, page 4, lines 9-12

[6] excerpted on page 10e at the back of the Petition for Re-Hearing

[7] which was about 40 days after the decision of the 1st Circuit in the case at bar

while (in industry-counsel's opinion) drive-in theatre operators within the 1st Circuit "may fairly safely decide to withhold further royalty payments at least until an adverse decision, if any, on appeal", yet drive-in theatre operators outside the 1st Circuit should have their attorneys explore the likelihood of certiorari being granted *in the case at bar*, and the probable decision of this Court on the merits *in the case at bar*, before reaching any conclusion to discontinue royalty payments (10e and 11e).

Furthermore, as shown by Appendix-Exhibits 25, 26 and 27, immediately after the denial of certiorari (on October 10, 1949) in the case at bar, *general legal counsel* for, and Board Chairman of the Allied States Association of Motion Picture Exhibitors*

> "hailed the *Supreme Court action* in *refusing* to *review* a lower court dismissal of a patent case involving ramps for drive-in theatres as *tremendously important*" (p. 13e),
>
> and
>
> "upon hearing of the high court action (he) advised members not to pay royalties from here on in, and it is likely that members of Allied will heed his advice" (p. 14e),
>
> and said that
>
> "the *Supreme Court's refusal* to hear the drive-in theatre patent case *clears* that *problem* for exhibitors" (p. 14e),
>
> and said
>
> "that other circuit courts of appeal will follow the decision of the appellate court in Boston" (p. 14e),
>
> and said that
>
> "exhibitors can now go ahead and build drive-in theatres without fear of infringement" (p. 15e).

The same (October 15, 1949) issue of BOXOFFICE (Appendix-Exhibit 26) also says that

---

* the all-inclusive nation-wide association of motion picture theatre owners and operators with national headquarters at 729 15th Street, N.W., Washington, D. C.

"Many drive-in theatres have been paying royalties right along to Park-In Theatres, and it is quite possible that they wil drop these payments immediately *on advice of such well-known industry counselors as Abram Myers, Allied States Ass'n board chairman and general counsel.*

"* * * *exhibitor counselors* pointed out, that other circuits will follow the Boston reasoning *as a result of the Supreme Court action*" (p. 14e),

"* * * there are two decisions on Circuit Court records which hold with the Park-In Theatre argument that the drive-in ramp idea is patentable. These decisions were handed down in Philadelphia and San Francisco a number of years ago. *These rulings are still the law in these circuits,* however, *attorneys believe now that the highest court has held with the Boston court,* the circuit courts will follow the same reasoning in any new suits brought by Park-In Theatres." (p. 14e)

Therefore, this is not a case of merely some "lay misunderstanding" but a case where the well-known and accredited legal counsel of the industry have deemed the decisions of the 1st and 9th Circuits (on the same patent) as being in conflict and creating confusion in the industry, and where the same legal counsel have misused this Court's denial of certiorari to represent to the industry that such denial of certiorari is an adjudication of the patent by this Court.

There can be no doubt that the statements in the trade-publications excerpted on pages 13e to 16e are either quotations or reflections of the statements of legal counsel for Allied States Association of Motion Picture Exhibitors, as well as of "*industry-lawyers*"* *generally.*

Therefore, this is *not* a case (as respondent *erroneously* suggests) where

* see Appendix-Exhibit 28 excerpted at 15e

> "one or two writers in trade publications have fallen into the common error of thinking that denial of certiorari is an affirmance of the decision below" (Respondent's Brief, page 4, lines 9-11)

but this is, indeed, a case where the top level of the industry has misused this Court's denial of certiorari and where the decisions of the 1st and 9th Circuits (on the same patent) have created substantial confusion in the industry.

That the decisions of the 1st and 9th Circuits are generally regarded by the industry as being in conflict with each other is further shown by the letters of still other legal counsel representing individual drive-in theatre owners and operators, which letters are *Appendix-Exhibits 30, 35 and 40.*

2) Respondent erroneously suggests double standard for grant of certiorari.

Respondent's opposition to the petition for re-hearing seems to be based largely upon respondent's fallacious theory and contention of a double standard, namely, that this Court has or should have one standard for the granting of certiorari in cases where the infringer is the petitioner and another standard where the patent-owner is the petitioner.

While respondent recognizes that under circumstances like those shown by the Affidavits and Exhibits contained in the *Appendix* to the Petition for Re-Hearing this Court has in the past granted certiorari in patent cases, yet respondent argues that those cases should not be a precedent for the granting of certiorari in the case at bar because in the cases cited as authority it was the infringers or prospective defendants who petitioned for certiorari or filed briefs *amicus curiae* in support of such petition, while in the case at bar it is the patent-owner who is petitioning for certiorari.

Thus respondent tries to distinguish the case at bar[1] from the clearly applicable authorities cited on pages 3-5 of the Petition for Re-Hearing favoring the grant of certiorari, by saying that petitioner's authorities were cases

> "where the patents had been held valid and infringed"

and that it was for this reason that

> "this court relaxed the general rule as to non-conflict cases etc."[2],

and in further support of the so suggested double standard, respondent says:

> "There is no adjudication of validity to give concern to the industry."[3]
>
> "In the present case there has not even been an adjudication of validity to bedevil an industry or any part of an industry."[4]
>
> "The industry is not even faced with an adjudication of validity * * *"[5]
>
> "The industry is not even faced with * * * a prospect of preliminary or other injunction before patent expiration in May 1950."[6]

We respectfully submit that such suggestions of a double standard should be rejected, and certiorari should be granted to determine the validity of the patent here in suit, which determination is considered by the whole industry to be of immediate importance, and affects the convenience of many courts, in circumstances in which not only petitioner but legal counsel to the top level of the industry have viewed the decisions of the 1st and 9th Circuits as being in conflict with each other[7], so far as the industry is concerned.

---

[1] on the question whether certiorari should be granted

[2] footnote on page 5 of respondent's Brief

[3] last line of footnote on page 2 of respondent's Brief

[4] respondent's Brief, page 6, lines 1-3

[5] respondent's Brief, page 8, lines 30-31

[6] respondent's Brief, page 8, lines 30-32

[7] such conflict of circuits is, we believe, demonstrated by *Points 1-A, 1-B and 1-C*, on pages 23 to 31 inclusive of Petitioner's Brief (filed herein on July 6, 1949) in support of its Petition for Writ of Certiorari

3) Respondent's suggestion that drive-in theatre of patent in suit is merely "a plot of ground or field" is both erroneous and misleading.

Respondent's brief also attempts to minimize the drive-in theatre of the patent in suit as a

> "plot of ground or field into which customers may drive their cars and, without alighting, view a movie", (Respondent's Brief, page 6, lines 16-18)

whereas the claims[1] of the patent in suit (R.pp. 449-451) are drawn to a specific theatre construction including car-aiming ramps which are *not* incidents of a "plot of ground or field" as respondent's brief belittlingly and erroneously suggests.

Indeed, this erroneous suggestion in respondent's brief is refuted even by the recent[2] *Bulletin*[3] published by the *Drive-In Theatres Owners Association Inc.* (after being advised by respondent's chief counsel, Mr. Holmes[4]) wherein that Association clearly points out that the Hollingshead patent is limited to a certain specific theatre construction which includes, inter alia, *a car-aiming device:*

> "3. Is the Park-In Theatres, Inc. patent (Hollingshead) valid? * * * the association * * * is, through its membership, financially aiding * * * in giving the best defense possible to the suit brought * * * by the Park-In Theatres, Inc. * * * **If your theatre** is ramped, terraced or **has a car aiming device** (or if you plan to have one) then the association is aiding your theatre financially—you should be a member and help pay these expenses,"
>
> "If you are not a member of the special litigation group—join now!"[3]

---

[1] analyzed on pages 78-81 of petitioner's Brief (filed July 6, 1949) in support of its Petition for Writ of Certiorari

[2] October 31, 1948

[3] Appendix-Exhibit 15, pages 1 and 2 (excerpted at page 9e)

[4] see Appendix-Exhibit 14, page 1 (excerpted at page 7e)

4) Respondent in error, in saying that there is a question of infringement in the case at bar.

Further typical of the many and repeated errors in respondent's brief in opposition, is the statement contained in the footnote on page 7 of its brief, in which respondent *erroneously* says:

> "There was a *serious* question of infringement involved in the present case, which the appellate court did not find reason to pass upon".

Manifestly, there was *no* question of infringement in the case at bar, either in the trial court or in the appellate court, because on pre-trial conference defendant *admitted infringement* of all claims in issue. Thus, the Amended Complaint

> (after alleging in paragraph 9 thereof that defendant entered into a license-agreement with plaintiff and that defendant built and operated a drive-in theatre under the patent in suit under said license and paid royalties for a while and that thereafter the license was cancelled because of non-payment of royalties),

alleged in paragraph 12 thereof (R.p. 6) that since license-termination defendant was without license and operated its drive-on theatre, and that *defendant's*

> "unlicensed *operation of said drive-in theatre* at Providence, Rhode Island, *constitutes an infringement of the patent here in suit*".

On pre-trial conference defendant withdrew its denial of paragraph 12 of the Amended Complaint, as shown by paragraph 8 of the District Court's Order on Pre-Trial Conference (R.p. 23), wherein that Court said:

> "Defendant has withdrawn its denial of paragraph 12 of the Amended Complaint and therefore *paragraph 12 of the Amended Complaint shall stand as having been admitted.*"

Therefore, contrary to respondent's erroneous suggestion, there was clearly no ("serious" or other) question of infringement involved in the present case.

Indeed, respondent *never* suggested *any* question of infringement to the Court of Appeals, either in its Brief or in its "Defendant's Statement of Points" (R.p. 436).

On the contrary, on page 3 of its Brief in the Court of Appeals, respondent said:

> "Nor does defendant deny that its Providence theatre, as operated prior to and after July 1, 1938, infringes at least some of the Hollingshead claims in issue if those claims are valid."

Hence, the appellate Court could of course "not find reason to pass upon" the (absent) question of infringement.

5) Case at bar is, in effect, a class action.

As shown by the Smith affidavit (at Appx. p. 21a), and as shown by Appendix-Exhibit 14, respondent's counsel are counsel for the Drive-In Theatre Owners Association Inc., and have been counsel for such association for more than a year, not merely in connection with the case of *Park-In Theatres Inc.* v. *George W. Ferguson, et al,* but also in connection with that association's program "to present a common front to any efforts to enforce the patent against members", as admitted on page 7 of respondent's brief, and therefore, for that additional reason, the case at bar is, in effect, a class action, and has been looked upon by the industry as a whole as the test case for the industry, as shown by Appendix-Exhibits 14 to 46[1] and by the Affidavits in the Appendix.

CONCLUSION

It is therefore respectfully submitted that the case at bar is conspicuously one in which, by the standards of this Court,[2] certiorari should be granted.

Respectfully submitted

By DOUGLAS W. MCGREGOR
LEONARD L. KALISH
MELVIN R. JENNEY
THOMAS J. FLYNN
attorneys and counsel for petitioner

---

[1] in *Park-In* v. *Paramount* (Exh. 46) not only Mr. Holmes but also the president and 17 others presumably members of his client, the Drive-In Theatres Owners Association Inc. filed affidavits in support of defendants' (unsuccessful) motion for summary judgment

[2] as indicated by the authorities cited on pages 3 to 5 of the Petition for Re-Hearing

FILED
AUG 4 194
CHARLES ELMORE CR

Supreme Court of the United States.

October Term, 1949.

No. 170.

PARK-IN THEATRES, INC.,
Petitioner,

v.

LOEW'S DRIVE-IN THEATRES, INC.,
Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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Attorney for Respondent.

FISH, RICHARDSON & NEAVE,
Of Counsel.

ADDISON C. GETCHELL & SON, LAW PRINTERS, BOSTON.

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Supreme Court of the United States.

October Term, 1949.

No. 170.

PARK-IN THEATRES, INC.,
Petitioner,

v.

LOEW'S DRIVE-IN THEATRES, INC.,
Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

The Hollingshead patent in suit is for a Drive-In Theater. A drive-in theater is a plot of ground or field into which customers may drive their cars and, without alighting, view a stage performance or movie. The seats of the parked cars become the theater seats.

The sole issue presented by this case is that of patentable invention. The finding of absence of patentable invention was reached by an experienced court, the Court of Appeals for the First Circuit (Judges Magruder, Woodbury and Peters concurring), after careful consideration and full argument.

There is no conflict of decision between different Courts of Appeals, no new or doubtful question of law, important or unimportant, no conflict between the decision of the

court and applicable decisions of this or any other court, and no matter of public interest or importance.

This is merely an ordinary and unusually simple patent case, with no "special and important reasons" for granting the writ. There is here merely a very common question of fact in patent cases, that is, whether, under all the circumstances of the case, what the patentee did amounted to invention, or was merely something obvious to those skilled in the art.

Petitioner asserts a conflict between the decision in the present case and that of the Court of Appeals for the Ninth Circuit in *Park-In Theatres, Inc.*, v. *Rogers*, 130 F. (2d) 745. There is no conflict whatever, as we will presently show.

In addition to the alleged conflict, petitioner sets forth eight additional reasons as to why its petition should be granted, which, with subdivisions, comprise the assertion of some ten errors allegedly committed by the Court of Appeals in its rather brief, simple and conventional opinion on the issue of patentable invention. Petitioner argues each of these numerous alleged errors with equal emphasis, in a petition and brief which, in breach of the brevity and conciseness requirement of Rule 38 of this Court, burdens the Court with a confusing and interminable phantasmagoria of unwarranted allegations and unsound contentions.

Petitioner, in its zeal for another hearing, has repeated at length its argument on the merits unsuccessfully made before the appellate court. Certiorari jurisdiction was not conferred on this Court to give a defeated party another hearing,* and a certiorari petition is not a rehearing or an appellate proceeding. We shall therefore not burden the Court with a reargument of the issue of patentable inven-

*Petitioner can have another hearing on patentability in any one of a number of cases on the Hollingshead patent now pending in other circuits.

tion or with an analysis of petitioner's highly colored assertions as to the testimony.

Nor shall we burden the Court with any extensive analysis of the innumerable errors with which the Court of Appeals is charged. The quite conventional decision of the court speaks for itself and finds absence of patentable invention, under all the circumstances of the case, on the basis of time honored principles and considerations.

Outline of the Case.

The original complaint (R. p. 1) asked for unpaid royalties for a short period prior to cancellation of defendant's license and for damages for infringement following cancellation. The answer set up customary patent defenses, including invalidity for absence of patentable invention (R. p. 10, par. 16). Subsequently petitioner asked for injunctive relief (R. p. 420), which was granted by the interlocutory judgment (R. p. 424), from which defendant appealed, assigning, as one of its Statement of Points, absence of invention (R. p. 436, par. 2).*

The Court of Appeals in the opening portion of its opinion raised a question of appellate jurisdiction as to the claim for unpaid royalties. Petitioner does not rely on

*Petitioner's continued assertion (see, for instance, Petition, p. 23; Br. p. 64) that defense of absence of invention was neither pleaded nor assigned in the Statement of Points is a gross misstatement, as the record references above cited show. Moreover, it is the duty of a court at trial or on appeal to consider invalidity, even though not pleaded or even raised by defendant, because of the public interest involved. *Hill* v. *Wooster*, 132 U.S. 693, 698. *Magic City Kennel Club* v. *Smith*, 38 F. (2d) 170, 173 (C.C.A. 10th). *Wills* v. *Scranton Cold Storage & W. Co.*, 153 Fed. Rep. 181, 184 (C.C.A. 3d). *Slawson* v. *Grand Street R.R. Co.*, 107 U.S. 649, 652. *Jones* v. *Cyphers*, 126 Fed. Rep. 753, 754 (C.C.A. 2d). *Hendy* v. *Golden State &c.*, 127 U.S. 370, 375.

any alleged error as to this matter, and it need not concern us in this proceeding.

There was also a misuse defense which the Court of Appeals had no occasion to consider in view of its holding of invalidity.

The Record and the Issue.

Hollingshead noticed certain inconveniences of the indoor movie theater—uncomfortable seats, getting up and down, difficulty of parking,—and "struck on the idea of watching the moving pictures from the car" as a way of eliminating these inconveniences (R. p. 73).

Having conceived the idea that a theater or plot of ground in which the spectator will watch the movie from his car would fill a need and be a good business venture, Hollingshead, to satisfy himself, tried the thing out by a crude experiment in his driveway—by setting up a screen and aiming two cars at the screen, one behind the other, at different levels, as with the seats of a theater, as described in the extract from defendant's brief on appeal quoted in Appendix G, accompanying the petition.

Hollingshead then filed his patent application, showing, by rather rough drawings (R. p. 441) a general layout of a plot of ground, with a screen, necessary aisles or stallways, rows of car (seat) locations in rows on concentric arcs as in the usual theater, provision for aiming the cars or seats at the screen, and the usual sloping floor and terracing of seat locations, all as in a theater.

Claim 2 (R. p. 449) is typical of the claims in issue and covers broadly an outdoor theater with rows of curvilinear driveways and stallways (like the rows in a theater), said stallways (seat locations) facing the stage and having such inclination as will permit the car (seat) occupant to see the stage or screen over the cars ahead. Any departure from

the horizontal found necessary in any particular terrain to aim the car at the screen over the car ahead is covered.

The issue was clear and simple. Having the idea that a drive-in theater in which the spectator would view the screen from his car would fill a need and be a good business venture, under all the circumstances of the case, did it involve patentable genius, capacity beyond that of a man skilled in the art, to lay out a plot of ground to carry the idea into practical application, in the manner shown by the Hollingshead patent?

We shall not go into the voluminous evidence of record. To support invention, plaintiff emphasized statements of witnesses as to the "ingenuity" of the drive-in theater and its novelty and utility in giving entertainment. Plaintiff further emphasized defendant's advertisements of the drive-in theater as an "outstanding innovation" and a "genuine novelty." Defendant's evidence, including numerous prior patents and publications, showing and describing theater layouts and expedients for positioning, tilting and adjusting theater seats (horizontally and vertically) to give good vision to the stage or screen, without craning (R. pp. 187-188, 228-229, 255-257, 607-647, 655, 657-659, 661, 667-671, 681-682), together with the testimony of two theater architects (Schlanger and Rand, R. pp. 276 *et seq.*), was relied upon to show that in laying out a plot of ground for a drive-in theater, to position the automobile seats for good vision to a screen without craning, as shown in his patent, Hollingshead had merely applied and utilized the most elementary and familiar principles and expedients of theater arrangement, long practised and used in locating, terracing and aiming ordinary theater seats for good vision with relation to a stage or screen. The indoor theater, long prior to Hollingshead, commonly had the essential counterparts of everything shown in the Hollingshead patent.

The Decision of the District Court.

In finding patentable invention, the District Court (R. p. 413) relied upon the testimony of witnesses that the drive-in theater is "ingenious," "practical," "a good business investment," "a completely new idea of giving entertainment to people who could not ordinarily go to the theater," and "is a beneficial contribution to the art of exhibition of motion pictures."

The lower court (R. pp. 413-414) further relied upon defendant's advertising that the drive-in theater is an "outstanding innovation in the amusement world," is "new," "unique," and a "genuine novelty" which has met with "immediate and enthusiastic approval from the public."

All the court's foregoing findings were directed to the novelty and success of the drive-in theater idea as a business venture.

Continuing, the lower court pointed out that no prior patents, publications or prior uses disclosed a drive-in theater prior to Hollingshead, and that it does not appear that any architect or engineer had ever given any thought to such a theater (R. p. 414). From this evidence, merely of the admitted novelty of the drive-in theater idea and the absence of any prior thought or effort along this line, the court concluded (R. p. 414) that Hollingshead "exercised inventive genius," an unsound conclusion to draw from the mere fact of novelty of the idea, as the Court of Appeals pointed out, and as is well settled (*infra*). An idea, such as the drive-in theater idea, however new and useful, is not patentable and cannot impart patentability to means which are old or lacking in inventive genius.

The lower court did not point to or rely upon any invention of means as is necessary to find patentability. The fact that no one before Hollingshead had supplied clear vision in a drive-in theater is quite beside the point, since no one,

as the lower court found (*supra*), had ever, prior to Hollingshead, thought of a drive-in theater. And until someone did at least think of such a theater, no problem, hard or easy, arose for solution.

The Decision of the Court of Appeals.

The Court of Appeals analyzed the patent disclosure, conceded that a drive-in theater structure may be the subject matter of patent, as decided in the *Rogers* case which it cited, and, under all the circumstances of the case, found absence of patentable invention.

The court stated (R. p. 775) that the basic question is whether, given the idea of an open air drive-in theater, "an exercise of the inventive faculty was required to devise means for carrying it out," for, as the court pointed out, it is "elementary" that an idea, a way of transacting business, however novel and useful, is not itself patentable "apart from the means for making the system practically useful, or carrying it out," citing some of the leading decisions of this and other courts.*

The court pointed out that this principle rendered "beside the point" considerations of the novelty and success of the idea relied upon by the lower court (*supra*). "For

*Recently someone had the bright and novel idea of a laundry shop, supplied with a conveniently arranged battery of coin operated clothes-washing machines, where people can bring washing, deposit it in the washing machine and wait for it or return later in the day. This idea was novel and highly beneficial in these times and the so-called "Laundryettes" have swept the country. Obviously this idea of a new way of serving the public is not patentable, although the originator was something of a public benefactor.

There are many such new but unpatentable ideas of ways of doing business, such as the familiar drive-in bank, which calls for a special layout whereby the bank customer can conduct his business without leaving his automobile. The Court of Appeals (R. p. 776) referred to cafeteria systems.

we are not here called upon to deal with the novelty, usefulness or commercial success of an outdoor drive-in theater as an idea, or as a system of transacting business, but with 'the mechanical means or instrumentalities . . . by which it [the idea or system] may be made practically useful' " (R. p. 776).

The court then turned its attention to the means or instrumentalities disclosed in the patent for carrying out the drive-in theater idea and found the alleged invention of the claims wanting in patentable quality.

The court (p. 779) observed that the argument for patentability was not "buttressed" by evidence of any long standing problem of means, finally solved by Hollingshead.*

In conclusion the court found that the lower court was impressed by the novelty and success of the drive-in theater idea, but failed to give consideration to the means employed to make the idea useful, and that its finding of patentability, based as it was upon the novelty and success of the drive-in theater as an idea, without regard to the means of the patent, was clearly erroneous.

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*It may be persuasive of patentability, or at least sufficient to give a court pause, that others had tried and failed and that the art had to wait long for the solution of a problem. See, for instance, *Bresnick* v. *United States Vitamin Corp.*, 139 F. (2d) 239, 241 (C.C.A. 2d, L. Hand, J.). See also *Goodyear Tire & Rubber Co.* v. *Ray-O-Vac Co.*, 321 U.S. 275, where the patentee solved a "problem" which had "plagued the industry" (p. 276) for a "period of half a century" (p. 279). In *National Battery Co.* v. *Richardson Co.*, 63 F. (2d) 289, the patentee had solved an old problem (p. 290) by departing from prior practices (p. 292) after "extensive experimentation" for "about a year" (p. 290). The court observed that the lack of obviousness was also shown "by the failure of others" (p. 292). Plaintiffs commonly endeavor to rebut a defendant's contention of obviousness or lack of patentable quality with evidence of this character. There was nothing of this sort in the present case, as the Court of Appeals observed. And see footnote, *infra*, p. 14.

No Conflict with the Decision of the Court of Appeals for the Ninth Circuit in the Rogers Case.

In *Park-In Theatres, Inc.*, v. *Rogers*, 130 F. (2d) 745, the Court of Appeals for the Ninth Circuit held on motion for summary judgment that the drive-in theater structure of the Hollingshead patent is a "manufacture" or "machine" within the classification of patentable subject matter of the statute (35 U.S.C.A., Sec. 31), and therefore the lower court was in error in holding the Hollingshead patent invalid for want of patentable subject matter. Although, as the court stated (p. 748), the lower court had "confined its conclusion to the proposition that the theater was not a patentable subject and, consequently did not consider the question of invention . . . ,"* the defendant had apparently asked the Court of Appeals also to pass on this question, on the ground that, if the opinion of the lower court can be sustained on any ground, judgment should be affirmed. The Court of Appeals declined to pass on the question of patentable invention on summary proceeding, and returned the case to the lower court for trial. No further proceedings have been had.

In the present case, the Court of Appeals did not contest that the drive-in theater structure of the patent may be patentable subject matter within the statutory classification, as held in the *Rogers* decision which it cited (R. p. 775), but held invalidity solely on the ground of absence of patentable invention, the issue on which the Court of Ap-

*The point is entirely immaterial, but petitioner's brief is in error in asserting (p. 25 and elsewhere) that the lower court in the *Rogers* case held the Hollingshead patent invalid for want of invention. We will not go into the matter, but the lower court's Statement of Facts and Conclusions of Law, with the court's erasures not reproduced in Petitioner's Appendix, shows that the Court of Appeals was correct in stating that the lower court did not pass on this issue.

peals declined to pass on summary proceedings. Therefore, there is no conflict between the two circuits.

Petitioner struggles to conjure up a number of alleged conflicts on grounds which are manifestly unsound.

As to point 1-A (Br. p. 23), obviously the Court of Appeals in the present case did not hold the Hollingshead patent "invalid for lack of invention on its face," as asserted in defendant's brief (p. 23), and this point is clearly unsound.

The issue and decision of the court in the *Rogers* case we have already referred to (*supra*). Obviously there is no conflict as asserted in petitioner's point 1-A.

As to point 1-B (Br. p. 27), the Court of Appeals in the present case did not, as alleged, base its decision on the theory "that Hollingshead's idea or conception of the drive-in theater *of the patent in suit** could not be considered in deciding the question of invention." On the contrary, the court held, in conformity with the established law of this and other courts, that the "outdoor drive-in theater as an idea" (as distinguished from the conception of means of the patent) as a "system for conducting the motion picture theater business" (R. p. 776) is not patentable "apart from means for making the system practically useful, or carrying it out." In this section of its brief, as in its argument of point 4 (Br. p. 38), the petitioner raises a straw man, namely, that the idea or conception which the court held was not patentable as an idea, in conformity with the decisions, was the idea or conception of means shown in the patent. The petitioner confuses the idea of conception of an open air drive-in theater as a system for conducting the motion picture theater business with the idea or conception of means described in the patent.

The Court of Appeals in the *Rogers* case was concerned with the question of whether the conception of means of the

*Emphasis in this brief is ours, except where otherwise noted.

Hollingshead patent should be held unpatentable on summary proceedings, and did not hold (as petitioner asserts) that the idea of an open air drive-in theater as a system for conducting the motion picture theater business might be patentable. Clearly there is no conflict.

As to point 1-C (Br. p. 29), the basis for the lower court's finding, which the Court of Appeals considered "beside the point," was testimony directed to the novelty and success of the drive-in theater as an idea and as a system for conducting the motion picture theater business, as is apparent from the statement of the Court of Appeals (R. p. 776), and the statement of the lower court (see Finding 18, R. p. 428).* Such evidence was beside the point for the reason given (R. p. 776).

The Court of Appeals for the Ninth Circuit did not find otherwise, and there is manifestly no conflict.

The Ten Alleged Errors of the Court of Appeals Set Forth in Points 2-9.

Points 2 (Br. p. 31) and 3 (Br. p. 35) call for no particular comment. Any presumption of validity from grant is

*Petitioner asserts (Br. p. 30) that the testimony to which the courts referred was directed to the construction of the Hollingshead patent in suit and not to the idea of a drive-in theater as a way of viewing pictures. This is not so, as is apparent from the statement of both courts. To the extent, if any, that witnesses in testimony not referred to by the lower court or the Court of Appeals undertook to testify that the means described and claimed in the Hollingshead patent involved ingenuity and invention, the witnesses entered the province of the court and such testimony was not pertinent. *American Stove Co.* v. *Cleveland Foundry Co.*, 158 Fed. Rep. 978, 984 (C.C.A. 6th). *Osgood Dredge Co.* v. *Metropolitan Dredging Co.*, 75 Fed. Rep. 670, 672 (C.C.A. 1st). *Fried* v. *Midvale*, 191 Fed. Rep. 588, 596 (C.C.A. 3d). *Kohn* v. *Eimer*, 265 Fed. Rep. 900, 902 (C.C.A. 2d). As Judge Learned Hand observed in the case of *Kohn* v. *Eimer*, *supra*, opinion evidence on the issue of patentable invention is "a burdensome impertinence."

not binding, the court did not, as alleged, find the patent "invalid on its face," and the charge that the court disregarded all the evidence is without basis and smacks of impertinence. Nor is the finding of the lower court as to validity binding on the Court of Appeals, which seems to be the burden of point 3.

Point 4 (Br. p. 38). We have already referred (*supra*) to the fallacy of petitioner's attack on the court's finding that the idea of a drive-in theater as a way of conducting a movie (as distinguished from the idea or conception of means for carrying it out) is not patentable. The principle enunciated by the Court of Appeals is a basic principle of patent law, as set forth in the decisions of this and other courts. For an analysis of some of the leading cases, see the Appendix to this brief.

The cases cited by the petitioner have to to with a *conception of means*, such, for instance, as the idea that a certain new combination of elements will work in a certain way and effect a new and useful result. A conception *of means*, as of a new combination of mechanical means or elements, as shown and described in a patent, may be patentable if it involves inventive genius, although, as is often the case, it is an easy matter, after the new combination or structure has been conceived, to put it together or make the new device or combination thus conceived, as shown and described in the patent.

The Court of Appeals in the present cases did not discard the combination of the patent (screen, aisles, stallways, and means for aiming the cars at the screen over the cars in front) as an unpatentable concept or idea on the authorities relied upon. On the contrary, almost the entire opinion is devoted to a consideration of whether or not, after Hollingshead had the idea of the drive-in theater as a good way of showing pictures, this further conception of the screen, aisles, stallways and aiming means, as shown

in the patent (the combination of mechanical means for making a drive-in theater practical), was sufficiently ingenious as to be beyond the capacity of a man skilled in the art.

Point 5. The petition (p. 19) contends that the court should have rescued the patent on the basis of alleged commercial success, and petitioner's brief (p. 48) adds the matter of alleged skepticism of the industry.* Petitioner merely reargues contentions thoroughly analyzed and argued before the Court of Appeals. While we are far from agreeing with petitioner's interpretation of the evidence, this is not the occasion for repeating our analysis of the testimony presented to the Court of Appeals and arguing the case over again.

Where there is no invention, extent of use is not a matter of moment (*Adams* v. *Bellaire Stamping Co.*, 141 U.S. 539, 542; *Grant* v. *Walter*, 148 U.S. 547, 556). The weight of the evidence of alleged skepticism is for the court to determine, along with the other circumstances of the particular case. Manifestly the court committed no error.

Point 6. The petition (p. 20) erroneously asserts that the Court of Appeals held "that invention is negatived by reason of the fact that it did not take the patentee long to perfect and embody the invention after having conceived it," and refers to "flash of creative genius rule of this court." In its brief (p. 53) the court is charged with ad-

*Interested witnesses testified to skepticism. But their skepticism must have concerned something other than seeing over the car ahead, for it was not removed when they were shown how this could be done (R. pp. 63, 123, 525-526). Anyone might well have been skeptical as to whether there could be suitable illumination and suitable sound reproduction and distribution over a large area to present a performance which would continue to attract crowds. Indeed, the evidence showed that commercial success only came after the troublesome sound problem (R. pp. 65, 124, 477, 483) was solved by R.C.A. with the advent of individual, in the car, loud speakers (R. pp. 185-186).

vancing the proposition that a long period of time must elapse between the original conception and reduction to practice or invention.

Clearly the court advanced no such propositions. The court merely observed as one circumstance (R. p. 779), in relation to the question of obviousness, that it did not take Hollingshead long to solve any problem involved in constructing a drive-in theater.* A history of long experimentation and struggle might be a persuasive circumstance in resolving a doubt in a particular case. But in this case there is no such history. The court committed no error in observing that fact as one of the circumstances of the case.

Point 7. We have referred (*supra* p. 8) to the court's observation that there was no evidence of a long-standing problem finally solved by Hollingshead which might buttress a contention of patentable invention. A plaintiff sets up its patent, defendant attacks it as lacking in patentable invention, and plaintiff, sometimes in rebuttal and sometimes *prima facie* (in anticipation of the defense of invalidity), will often present evidence of prior unsuccessful efforts of others as a persuasive circumstance (*supra* p. 8). In the present case there was no such evidence, and the court committed no error in taking that circumstance, along with others, into consideration.†

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*Hollingshead "struck on" the idea of watching the movie from the car "late in 1930 or 1931" (R. pp. 72-73). And in the latter part of February or early March, 1931, he built a wooden model (R. p. 83).

†In *Bresnick* v. *United States Vitamin Corp.*, 139 F. (2d) 239, 241 (C.C.A. 2d), Judge Learned Hand, after analyzing the alleged invention and its apparent absence of patentability, said: "Yet, even so, had the art waited long for the step (especially if there had been intermediate unsuccessful efforts) and if the step, when made, had been an answer for which the art had been looking, we might have yielded. That was not the situation." He then pointed out, as a further circumstance, that the interval "was not filled by a single unsuccessful effort" and held the patent invalid for absence of invention.

Nor did the defendant by pleading prior invention by others (R. p. 10, par. 18), a defense which it failed to substantiate, admit prior unsuccessful efforts of others, as petitioner contends (Br. p. 58). The court committed no error.

Point 8. This point is based upon the assertion (Br. p. 63) that the court "completely ignored a fundamental principle of patent law that the claimed combination of the patent in suit may constitute patentable invention." There is no basis whatever for such assertion.

Point 9. Petitioner asserts that the decision of the Court of Appeals is based upon a defense or ground "which was not pleaded, noticed, heard or considered in the trial court, and which was not assigned or specified in defendant's Statement of Points under Rule 75 (d)." This contention is manifestly without foundation *supra*, p. 4).

Conclusion.

The petition should be denied. There is no conflict of decisions to be resolved and no question of importance to the public as distinguished from that of the parties.

Respectfully submitted,

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Appendix.

AN IDEA IS NOT PATENTABLE. THE MEANS BY WHICH THE END IS ATTAINED MUST INVOLVE PATENTABLE INVENTION.

In language applicable to the present case, Judge Learned Hand in *National Sweeper Co.* v. *Bissell Co.*, 249 Fed. Rep. 196, 199, characterized the case as presenting "a picture suggestive rather of a commercial opportunity discovered than any necessary invention."

The following are some of the leading cases.

Knapp v. *Morss*, 150 U.S. 221. Plaintiff's patent was for a dress form, every part of which was adjustable. The idea was new and useful, but the means adopted were substantially the same as those used for opening and shutting the common umbrella, and therefore did not involve invention. Holding the patent invalid, the Supreme Court said (p. 228):

> "Tested by these authorities the validity of the patent in question must be ascertained, not from a consideration of the purposes sought to be accomplished, but of the means pointed out for the attainment thereof, and if such means, adapted to effect the desired results, do not involve invention, *they can derive no aid or support from the end which was sought to be secured.*"

In re Patton, 127 F. (2d) 324 (C.C.P.A.), involved an alleged invention relating to a fire protection system to combat mass aircraft bombing attacks. The idea was novel and useful and had been used by the government. The court held the claims unpatentable for want of invention in the means employed, saying (p. 327):

> "In this connection it is sufficient to say that *a system of transacting business*, apart from the means for

carrying out such system, is not within the purview of section 4886, *supra,* nor is an abstract idea or theory, regardless of its importance or the ingenuity with which it was conceived, apart from the means for carrying such idea or theory into effect, patentable subject matter [citing numerous cases] . . . Accordingly the question here presented is whether the structure defined in appealed claims 1, 7, 8 and 12, for carrying out appellant's fire-protective system against aircraft attack, involves invention in view of the disclosures" of the prior art.

Rubber-Tip Pencil Co. v. *Howard,* 20 Wall. 498, 507. The man who first thought of putting a rubber tip on the end of a pencil was a public benefactor and the rubber-tipped pencil quickly came into almost universal use.

> "*An idea of itself is not patentable,* but a new device by which it may be made practically useful is. The idea of this patentee was a good one, but his device to give it effect, though *useful,* was not new. Consequently he took nothing by his patent."

Miller v. *Eagle Mfg. Co.,* 151 U.S. 186, 201:

> "It is not the result, effect, or purpose to be accomplished which constitutes invention, or entitles a party to a patent, but the *mechanical* means or instrumentalities by which the object sought is to be attained."

National Battery Co. v. *Western Molded Products Co.,* 39 F. Supp. 954, 955 (aff. 132 F. (2d) 510). In finding for defendant, the court gave the patentee the credit for conceiving the useful idea of so labeling battery containers with a type of label which, when affixed, would have the ap-

pearance of being an integral part of the container. The court said, however, that "an idea is not patentable" and that the means used to translate the idea into actual use must be examined.

J. I. Case Co. v. *Gleaner Harvester Corp.*, 135 F. (2d) 553, 555 (C.C.A. 8th). The court pointed out (p. 554) that *when the problem presented itself the solution was obvious.* The patent issues "not for the result, but for having discovered some patentable means of producing the successful or improved result." Since here the means for producing the result simply represented an expedient of ordinary mechanical or engineering skill, no invention was involved.

As the court said in *Ajax Mfg. Co.* v. *National Mach. Co.*, 93 F. (2d) 344, 346 (C.C.A. 6th): ". . . however meritorious may be the inventor's thought in terms of result, unless the means adopted in attaining it denote invention . . . he may not have a valid patent."

In *Voightmann* v. *Perkinson*, 138 Fed. Rep. 56 (C.C.A. 7th), the fact that Voightmann was the first to conceive that a window with a fusible link would be a valuable adjunct to fireproof buildings did not lend patentability to his patent when the means used were old and non-inventive.

See also *Armstrong Seatag Corp. v. Smith's Island Oyster Co.*, 254 Fed. Rep. 821 (C.C.A. 4th); *In re Weeks*, 9 U.S.P.Q. 166 (C.C.P.A.); *Aron* v. *Manhattan R. Co.*, 132 U.S. 84; *Fowler* v. *City of New York*, 121 Fed. Rep. 747, 748 (C.C.A. 2d); *Wood* v. *Kahn*, 189 Fed. Rep. 399; aff. 198 Fed. Rep. 403 (C.C.A. 2d); *Prepayment Car Sales Co.* v. *Orange County Traction Co.*, 221 Fed. Rep. 939 (C.C.A. 2d); *Kruger* v. *Whitehead*, 153 F. (2d) 238, 239 (C.C.A. 9th); Walker on Patents (Deller's Ed.), secs. 20-22.

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In the

Supreme Court of the United States

No. 170 October Term, 1949

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

Petition for Re-Hearing under Rule 33(2) of Order of October 10, 1949 denying Petition (filed July 6, 1949) for Writ of Certiorari

Douglas W. McGregor
Leonard L. Kalish
Melvin R. Jenney
Thomas J. Flynn
attorneys and counsel for petitioner

Press of Allen, Lane & Scott, Philadelphia.

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Letters written by Licensees
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showing the confusion created in the drive-in theatre industry by the decision of the First Circuit (in the case at bar) and the immediate and great importance of the resolution, by this Court, of the questions presented by the Petition for Writ of Certiorari, both to the industry as a whole as well as to the many Federal Courts involved in the otherwise inevitably widespread litigation based on the patent here on suit

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Petition for Re-Hearing

To the Honorable The Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Park-In Theatres, Inc., respectfully petitions for a re-hearing on its Petition (filed on July 6, 1949) for Writ of Certiorari to review the decision[1] and judgment[2] of the United States Court of Appeals for the First Circuit rendered in the above-entitled case on April 8, 1949, and for a re-hearing in respect to this Court's Order of October 10, 1949 denying the aforesaid Petition for Writ of Certiorari;—to the end that such Writ of Certiorari may be granted (and to the end that the decision of the Court of Appeals may be reversed and the judgment of the trial court reinstated).

On October 21, 1949 this Court entered an Order extending to November 9, 1949, petitioner's time for filing Petition for Re-Hearing.

In support of its present Petition for Re-Hearing, petitioner relies, inter alia, upon the Affidavits of Guy W. Meek[3], R. A. Edmondson, Jr.[4], Willis Warren Smith[5] and Robert McCay Green[5], and the Exhibits referred to in said Smith and Green Affidavits;—said Affidavits and said Exhibits being contained in the printed *Appendix* hereto (filed simultaneously with this Petition). The pages of the *Appendix*, which contain the affidavits, are numbered 1a to 27a, inclusive. The exhibits follow the affidavits, in the *Appendix*, in the order of their exhibit numbers.

For the convenience of Court and counsel, we have also reproduced, at the end of this petition, excerpts from the Trade (and other) Publications which are Exhibits 1 to 29, inclusive;—the pages containing these *exhibit-excerpts* being numbered consecutively from 1e to 16e, inclusive.

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[1] R. pp. 767-780 and 174 F. 2d 547

[2] R. pp. 782

[3] dated October 31, 1949

[4] dated November 1, 1949

[5] dated November 8, 1949

Counsel's Certificate under Rule 33(2)

The undersigned, counsel for petitioner, hereby certify that the within petition for re-hearing is presented in good faith and not for purposes of delay and that the petition is limited to grounds which are confined either to intervening circumstances of substantial or controlling effect or to other substantial grounds available to petitioner although not previously presented.

(signed) DOUGLAS W. MCGREGOR

(signed) LEONARD L. KALISH
counsel for petitioner

Grounds for Petition for Re-Hearing

The following are the grounds of this petition for re-hearing:

1) The resolution of the questions presented by the Petition for Writ of Certiorari will be of immediate importance to and of substantial and controlling effect upon an entire large industry founded upon the patent here in suit, and such importance and effect goes far beyond the interests of the parties involved in the case at bar.

2) The resolution of the questions presented by the Petition for Writ of Certiorari will be a great convenience and economy to the many *Federal Courts* which are and will be involved in further extensive litigation based upon the patent here in suit as well as upon licenses under such patent, in the score of now-pending suits and in several hundred* more suits which will inevitably have to be filed on this patent and on the licenses thereunder unless this Court resolves the questions presented by the Petition for Writ of Certiorari in the case at bar.

3) The resolution of the questions presented by the Petition for Writ of Certiorari will be a great convenience

* see Smith affidavit at 14a & 15a

and economy to many other litigants and prospective litigants not parties to the case at bar and will eliminate a substantial amount of confusion and uncertainty existing at the present time in the *drive-in theatre industry* because of the two extant circuit decisions[6] on the patent here in suit, which the industry and accredited representatives and legal counsel for various segments of the industry have conflictingly interpreted (*which further litigation, confusion, uncertainty and conflict will be eliminated by the resolution of the questions presented by the Petition for Writ of Certiorari).*

4) A very large and rapidly expanding industry founded upon the patent here in suit

(which industry has either paid royalties under the patent in suit or has set aside contingent reserves for such royalties)

has looked to the case at bar as the test case for the industry as a whole, and the case at bar has in effect and for all practical purposes been tantamount to *a class action.*

5) Accredited representatives and legal counsel for substantial segments of the motion picture industry have *misused* this Court's denial (on October 10, 1949) of the petition for writ of certiorari in the case at bar.

Authorities relied upon by Petitioner in Support of its Grounds of the Petition for Re-Hearing

Chief Justice Vinson's address before the Assembly of the American Bar Association on September 7, 1949 at St. Louis, Mo., which address was published, inter alia, in the September 19, 1949 issue of *The Legal Intelligencer* (Philadelphia) Vol. CXXI (No. 55), page 291 (quoted on following page 10 of the within Petition).

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[6] *Park-In Theatres, Inc.* v. *M. A. Rogers et al* (decided Sept. 14, 1942) 130 F. 2d 745 (CA-9)

Loew's Drive-In Theatres, Inc. v. *Park-In Theatres, Inc.* (decided April) 8, 1949) 174 F. 2d 547 (CA-1)

Robertson & Kirkham's Jurisdiction of the Supreme Court of the United States:

Section 320, note 71: *the question involved in the case at bar is involved in numerous cases pending in lower Federal Courts*

Section 322, notes 23 & 24: *nineteen other cases are already pending involving the same question and several hundred others must be filed in the near future if certiorari is denied*

Section 324, note 72: *this Court's denial (on October 10, 1949) of the Petition for Writ of Certiorari in the case at bar has been widely misused*[7]

Section 287, note 29 and Section 288, note 70 *intervening*[8] *events have imported into the case an element of importance not exhibited in the original Petition*

and the following decisions of this Court cited in the aforeentioned notes:

71. *Meyer* v. *Kenmore*, 297 U.S. 160; 80 L.Ed. 557; *St. Louis Can Co.* v. *General Life Ins. Co.*, 296 U.S. 660; 80 L.Ed.;
Callaghan v. *R.F.C.*, 297 U.S. 464; 80 L.Ed. 804;

23. *Bowers* v. *Lawyers' Mortgage Co.*, 285 U.S. 182; 76 L.Ed. 690;

24. *Bingham* v. *United States*, 296 U.S. 211; 80 L.Ed. 160;
Industrial Trust Co. v. *United States*, 296 U.S. 220; 80 L.Ed. 191;

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[7] in violation of this Court's firmly established rule that neither the granting nor the denial of a petition for writ of certiorari is to be construed as any expression of opinion, by this Court, upon the merits of the controversy: *United States* v. *Carver*, 260 U. S. 482, 490, 67 L.Ed. 361, 364, *House* v. *Mayo*, 32 U. S. 42, 48, 89 L.Ed. 739, 743, *Hamilton Brown Shoe Co.* v. *Wolf Bros. & Co.*, 240 U. S. 251, 258, 60 L.Ed. 629, 633, *Ohio ex rel Seney* v. *Swift & Co.*, 260 U. S. 146, 151, 67 L.Ed. 176, 179, *Atlantic Coast Line R. Co.* v. *Powe*, 283 U. S. 401, 403, 404, 75 L.Ed. 1142, 1143

[8] i. e. a) intervening the decision of the First Circuit and the denial of certiorari, and b) intervening the denial of certiorari and filing of the within Petition for Re-Hearing

72. *Carbice Corp. of America* v. *American Patents Development Corp.*, 283 U.S. 420; 75 L.Ed. 1153;

29. *Paramount Publix Corp.* v. *American Tri-Ergon* & *Corp.*, 293 U.S. 528; 79 L.Ed. 638;

70. *Group No. 1 Oil Corp.* v. *Bass*, 282 U.S. 830; 75 L.Ed. 739.

Matters submitted in support of the Grounds of the Petition for Re-Hearing

In support of the foregoing grounds, petitioner respectfully shows the following, by the affidavits and exhibits in the *Appendix* hereto:

The industry as a whole has recognized and acknowledged that Hollingshead's drive-in theatre of the patent here in suit is the first drive-in theater ever known or built anywhere in the world[9] and that the industry was brought into being and was founded upon Hollingshead's drive-in theatre and upon the patent here in suit covering such drive-in theatre.

The patent here in suit is the first patent ever issued by the United States Patent Office (or by the patent office of any other country) on a drive-in theatre.[10]

While the wider adoption of the invention on the patent here in suit was impeded first by general skepticism as to the practicability of the invention[10] and by the discriminatory film-distributing practices[11] of the film producers and film distributors, and only about 100 or so drive-in theatres had been built from 1933 to the beginning of the war or the end of 1941[12], and while the growth

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[9] see Lowell Thomas' radio broadcast of May 19, 1933 reproduced at page 82 of the printed *Transcript of Record*, and see also statements to like effect on *exhibit-excerpt* pages 1e, 3e, 4e, 5e, & 13e, referring to Hollingshead's Camden drive-in theatre, built in 1933

[10] R. pp. 62-64, 75-77, 83, 121-3, 521-3, 525-7

[11] discriminatory film distributing practices leveled at drive-in theatres: 15a, 16a & 19a, and Exhibit 2 at 2e and Exhibit 12 at 6e

[12] only about 100 drive-in theatres built up to about beginning of the war: 19a and Exhibit 1 at 1e and Exhibit 4 at 2e and Exhibit 11 at 6e

of the drive-in theatre industry was brought virtually to a standstill by the war-imposed curtailments[13], yet since the end of the war approximately 1000 drive-in theatres have been built[14] and put into operation and many more are presently being built[15], and the drive-in theatre industry, founded upon the patent here in suit, has grown to substantial proportions, with an estimated investment[16] of over 150 million dollars, with *sixty million dollars* being spent in 1948, alone[17].

The industry has recognized the patent here in suit by entering into well over 100 license agreements[18] with petitioner and by paying royalties[18] to petitioner for the use of the invention of the patent in suit, the use of which invention has been exceptionally profitable [19] to the owners and operators of drive-in theatres, and the drive-in theatre has become a new, major and distinct[20] branch of the motion picture exhibition field, both from the public standpoint as well as from the standpoint of film producers and exhibitors.

The industry as a whole are looking to a final determination of the validity of the patent here in suit, by this Court, in the case at bar[21], and both the unlicensed and

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[13] drive-in theatre expansion also curtailed by war: 19a and Exhibit 2 at 1e

[14] 1000 drive-in theatres since war: 3a, 8a, 17a & 19a and Exhibit 2 to 7 at 2e to 4e and Exhibit 11 at 6e

[15] many more drive-in theatres now being built: 7a & 8a and Exhibits 1 to 11 at 1e to 6e and Exhibit 19 at 11e

[16] $150,000,000.00 invested in drive-in theatres: 3a, 7a & 20a

[17] $60,000,000.00 spent on drive-in theatres in 1948 alone: Exhibit 1 at 1e

[18] over 100 licensees paid royalty: 1a, 2a, 4a, 5a, 7a & 18a and Exhibit 5 at 3e, Exhibit 16 at 9e, Exhibit 24 at 13e, Exhibit 25 at 14e, Exhibit 28 at 15e and Exhibit 29 at 16e and Exhibits 30 to 44, inclusive

[19] drive-in theatres exceptionally profitable to licensees and to infringers: 3a, 16a & 17a, and Exhibits 1 to 11 at 1e to 6e

[20] drive-in theatres have become distinct and new kind of motion-picture exhibition: Exhibit 2 at 1e (last 2 lines) and Exhibits 7 to 9 at 4e & 5e

[21] industry is looking to this Court's decision in case at bar, on the merits: 3a to 5a, 8a & 9a, 14a, 19a, 21a, 22a & 27a, and Exhibits 14 to 29 at 7e to 16e, and Exhibits 30 to 44

infringing users of the invention as well as the licensed users of the invention, comprising in the neighborhood of 1000 or more such drive-in theatres, are looking to this Court's determination of the validity of the patent in the case at bar.

The unlicensed part of the industry will abide by this Court's decision on the merits and settle (at the established royalty rate) for the unlicensed use of the invention of this patent, if the patent is sustained by this Court[22] (as it was by the trial court).

The licensed part of the industry will likewise pay up all royalties now being withheld (pending this Court's decision on the merits of this patent), if this Court grants certiorari in the case at bar and sustains the patent here in suit upon hearing on the merits[23].

Petitioner will discontinue all of the extensive now-pending patent-litigation and will not institute any of the hundreds of additional patent-infringement suits (which are now necessary if certiorari is not granted), if upon the granting of certiorari this Court should hold the patent invalid, upon the hearing on the merits.

Large sums of royalties are being escrowed or otherwise put into contingent reserves both by licensed users of the invention as well as by unlicensed users of the invention, and tax-reductions are being made for such royalties unpaid but in reserve or escrowed[24].

In addition to the score of now-pending patent-infringement suits[25] 500 or more patent-infringement suits will have to be instituted if this Court does not grant certiorari in the case at bar, in order to stay the running

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[22] unlicensed part of industry willing to settle for use of invention if patent sustained by this Court in case at bar: 5a, 8a-9a, 19a, 23a and 27a (see particularly *footnote* on page 27a)

[23] licensed part of industry willing to pay up all royalties if patent sustained by this Court in case at bar: 4a-5a, 8a-9a, 18a, 19a & 23a, and Exhibits 30 to 44

[24] industry has escrowed or otherwise put in contingent reserve funds, and has taken tax reductions for monies equivalent to established royalties: 4a & 20a, and Exhibit 25 at 14e, and Exhibits 30 to 36, and Exhibits 38 to 40

[25] other now-pending suits: Exhibits 45 & 46

of the statute of limitations, pending the decision of another circuit upon the same patent[26].

In addition, about 100 suits for royalties will have to be instituted, against licensees who have withheld royalty payments pending determination of the validity of the patent here in suit by this Court in the case at bar[27].

Likewise, further additional litigation will likely result upon the claims of certain licensees for a refund of royalties heretofore paid by them[28].

This vast litigation, which would undoubtedly occupy the time of many Federal Courts throughout the country for many years to come, will be eliminated by the determination, by this Court, of the validity of the patent here in suit, in the case at bar, both because the industry and petitioner will abide by this Court's decision.

Thus, if this Court, in the case at bar, holds the patent valid, the industry will willingly pay for both the licensed[23] and unlicensed[22] use of the invention at the established royalty rate, without further litigation. If, on the other hand, this Court holds the patent invalid, in the case at bar, petitioner will withdraw all now-pending patent-infringement suits and will not institute any other patent-infringement suits.

Furthermore, this Court's denial (on October 10, 1949) of the Petition for Writ of Certiorari, in the case at bar, has been misinterpreted and misused by accredited representatives of the industry by statements in the principal trade publications that such denial of certiorari

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[22] unlicensed part of industry willing to settle for use of invention if patent sustained by this Court in case at bar: 5a, 8a-9a, 19a, 23a and 27a (see particularly *footnote* on page 27a)

[23] licensed part of industry willing to pay up all royalties if patent sustained by this Court in case at bar: 4a-5a, 8a-9a, 18a, 19a & 23a, and Exhibits 30 to 44

[26] about 500 additional patent infringement suits will have to be instituted if certiorari is not granted: 14a-15a and 25a-27a

[27] about 100 royalty-collection suits (under licenses) will have to be instituted if certiorari is not granted: 15a and 25a-27a

[28] suits based on royalty-refund claims of ex-licensees will likely result if certiorari is not granted: 22a and Exhibits 30, 32, 35 & 43

represents this Court's holding that the Hollingshead patent is invalid,[29] and that all infringers are thereby relieved of further liability[30] and that licensees are relieved of further royalty payments.[31]

The decision of the U. S. Court of Appeals in the 1st Circuit, in the case at bar, as to which certiorari is sought has also been interpreted by accredited representatives of the industry as being in conflict with the decision of the Court of Appeals for the 9th Circuit on the same patent[32].

The circumstances set forth in the two immediately preceding paragraphs created wide spread confusion[33] and uncertainty[33] in the industry.

Therefore, the resolution, by this Court (in the case at bar), of the questions presented by the Petition for Writ of Certiorari, is of immediate importance and of substantial and controlling effect upon an entire large industry founded upon this patent, and the importance and effect of the resolution of these questions, by this Court, goes far beyond the interest of the parties involved in the case at bar, and is of interest and importance to the owners and operators of a thousand or more drive-in theatres distributed over the entire United States.

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[29] this Court's *order* of 10-10-49 has been widely misused by representations that such *order* affirms the decision of the 1st Circuit and is this Court's decision that Hollingshead patent is invalid: Exhibits 24 to 29 at 13e to 16e, and Exhibits 43 & 44

[30] This Court's *order* of 10-10-49 has been widely misused by representations that such *order* relieves all other infringers of liability: Exhibits 24 to 29 at 13e to 16e, and Exhibits 43 & 44

[31] This Court's *order* of 10-10-49 has been widely misused by representations that such *order* relieves all licensees of royalty payments: Exhibits 24 to 29 at 13e to 16e, and Exhibits 43 & 44

[32] accredited representatives of the industry have interpreted the 1st Circuit's decision in the case at bar as being in conflict with the decision of the Court of Appeals for the 9th Circuit on the same patent in *Park-In* v. *Rogers*, 130 F.2d 745: Exhibit 18 at 10e & 11e, Exhibit 22 at 12e, Exhibit 25 at 14e (middle of page 14e), and Exhibits 30, 35 & 40

[33] the decision of the First Circuit has created confusion in the industry in view of the earlier decision of the 9th Circuit (in *Park-In* v. *Rogers*, 130 F.2d 745) on the same patent: 3a-4a and 8a, and Exhibit 5 at 3e, and 22 to 29 at 12e to 16e and Exhibits 30 to 44

The case at bar is therefore most conspicuously one

> "which presents questions whose resolution will have immediate impotrance far beyond the particular facts and parties involved",[34]

and that, *in a sense*,[34] the case at bar is *a class action*[34]

> "upon the outcome of which are based the plans . . . of a great many people throughout the country"[34]

and the case at bar is one in which the disputed decision of the First Circuit has

> "consequences for other litigants in other situations"[34]

Thus, the resolution, by this Court (in the case at bar) of the questions presented by the Petition for Writ of Certiorari will be a great economy of both time and money to many litigants and prospective litigants and to the many Federal Courts which would otherwise inevitably be involved in many more years of litigation.

Conclusion

Wherefore, petitioner prays for a re-hearing on its Petition for Writ of Certiorari and in respect to this Court's denial (on October 10, 1949) for Petition for Writ of Certiorari;—to the end that this Court may grant such Petition for Writ of Certiorari.[35]

DOUGLAS W. MCGREGOR
LEONARD L. KALISH
MELVIN R. JENNEY
THOMAS J. FLYNN

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[34] *Chief Justice Vinson's* recent *address before* the Assembly of *the American Bar Association*, on *September 7, 1949*, at St. Louis, which address was published, inter alia, in the September 19, 1949 issue of *The Legal Intelligencer* (Philadelphia) Vol. CXXI (No. 55), page 291.

[35] and to the end that upon the hearing on the merits of the case, this Court may reverse the decision of the Court of Appeals for the First Circuit and thereby reinstate the decision of the trial court in the case at bar which held the patent valid and infringed upon an extensive trial (*Graver Tank & Mfg. Co. v. Linde Air Products Co., 336 U. S. 271*).

Reflecting growth and public importance of drive-in theatres

Exhibit 1 (May 16, 1948) **Philadelphia Inquirer** (page 17)

"Growth of Drive-In Movies"

"By the end of the year (1948) there will be 720 drive-ins in operation from coast to coast. At least 12 additional outdoor theatres will open in the Pittsburgh area this summer, giving that section a total of 29 drive-ins. New York City got its first drive-in a few weeks ago, a $300,000 establishment on Staten Island. Six have opened in Dayton, Ohio alone, and six are scheduled to open in St. Louis. **Building costs for the** mushrooming **industry are placed at $60,000,000 for 1948.**"

"Principal factor in this combination of motoring and motion pictures has been the appeal of the drive-in theater to those who otherwise would not be able to attend motion pictures regularly."

"**First known** installation of a **drive-in theater** was made **in 1933** near the **Camden** Airport. By 1940, about 100 . . . were in operation throughout the nation. The war halted expansion, but the boom is on in earnest now. . . . **The Independent Drive-In Theater Owners Association** . . . at Austin, Texas . . . **(supplies) members,** wherever located **(with) information on . . . patent suits** and other data. Also, the organization **will assist in establishing new outdoor theaters.**"

"To date, the most expensive theater of this type is the Rancho, at San Diego, Calif. It cost in excess of $450,000."

Exhibit 2 (August 17, 1948) **Motion Picture Herald** (pages 13 & 16)

"The Roof's the Sky and Sky is Drive-In Limit"

"The Drive-In Theatre, the screen's institution of the far-flung crossroads of the nation, impeded by war economy, is hastening to catch up . . ."

". . . a growing source of revenue for the (film) distributors . . ."

Reflecting growth and public importance of drive-in theatres (continued)

. . . **drive-ins are doing outstanding business and, in many cases, have recouped their investment in the first year of operation** . . ."

"Drive-in operators believe that the year 1949 will find them hitting their full stride . . ."

". . . drive-ins are making money, but they want better product and better runs. At the same time, they are hesitant to pay for pictures on a percentage basis. The argument is likely to come to a boiling-point next year when the number of drive-ins operating may reach 900 or 1,000. At this point, the sales heads of the **distributors are determined** not to let outdoor theatres interfere seriously with established houses and **to treat them as subsequent-run houses.**"

Exhibit 3 (July 17, 1948) **BOXOFFICE** (pages 10 & 11)

"50 Drive-Ins at Pittsburgh, As Outdoor Theatres Boom"

"Cleveland and Pitt Areas have 100 Open Airers . . ."

". . . almost without warning, the drive-ins started popping up through the area. . ."

"Most of the drive-ins are owned by . . . enterprising businessmen who viewed the . . . idea as a means of obtaining good returns on an investment. . . ."

"However, there are many established exhibitors in the field. . . A number of these exhibitors are in partnership with drive-in operators or are directors of drive-in corporations."

Exhibit 4 (November 13, 1948) **BOXOFFICE** (page 25)

"Drive-Ins up From 100 to 761 in 20-Month Building Boom"

"Open at rate of More than One Per Day, According to Survey by MPAA"

"More than six times as many drive-in theatres were built in the 20 months ending September 1, this year, than during the previous 14 years. The total leaped from 100

Reflecting growth and public importance of drive-in theatres (continued)

to 761, an increase of 641, at the rate of about 32 a month. This is more than one a day."

"The first drive-in was opened near Camden, N. J. in 1933."

. . . . . .

"Then there is the matter of **audience potential.** On the basis of the generally accepted average of three persons to a car attending a drive-in show, these outdoor playhouses with all car spaces full **accommodate 943,134 persons,** or about one out of every 148 persons in the nation. Most of them put on two shows a night."

Exhibit 5 (June 11, 1949) **BOXOFFICE** (page 12)

"Men and Events" . . .

"Drive-Ins Booming"

"Drive-Ins are popping up so fast the statisticians can't keep up with them. They now estimate that about 1,000 will be in operation before the summer is over."

"There is still some **doubt about the paying of royalties under the patent held by a New Jersey firm,** but this problem will be solved for the future by the expiration of the patent this year. No move has been made as yet to take an appeal to the Supreme Court from the circuit court decision in Boston ruling the patent invalid."

Exhibit 6 (June 11, 1949) **Motion Picture Herald** (cover & page 15)

"Bigger and Better Drive-ins Boom"

"Motor-Movies Weaving New Spell for Patron"

"Bigger, More Elaborate Operations Rise at all Nation's Crossroads"

"The drive-ins are flourishing once again. Just as last year at this time, when there were only about 500 operating, the auto theatres are reportedly **doing capacity business** and getting increasingly better runs from the distributors. **Every week new drive-ins are opening all over the country** and plans for additional ones are announced."

4e Excerpts from trade (and other) publications

Reflecting growth and public importance of drive-in theatres (continued)

Exhibit 7 (June 20, 1949) **TIME** (page 84)

"**Within the year,** U.S. **drive-in theaters** had **doubled; more than 1,000** sprawled under the sky **in 45 states,** and, **with at least 100 more on the way,** the sky seemed to be the limit. Last week, while indoor exhibitors gloomed over a 20% drop from last year's box-office take, Variety reported a 10% boost in drive-in business."

"**From their modest start in Camden (N.J.) in 1933, the drive-ins have grown too big** to be dampened by rain."

"One outdoor impresario estimates that 80% of drive-in fans are not, and never have been, regular indoor movie-goers. The best customers are 1) moderate-income families who bring the children to save on baby-sitting, 2) the aged and physically handicapped and 3) farmers and factory workers ducking the ritual of dressing up to go to a movie in town."

Exhibit 8 (July 23, 1949) **BOXOFFICE** (page 42)

"Rodgers Says Drive-In Creating New Patrons"

"New York-Drive-ins have become such an important factor in developing new customers for theatres and in returning old ones who for various reasons have not been attending often that **MGM** is now making a national survey of the open-air operations, says William F. Rodgers, vice-president and general sales manager.

"'As a result of the survey,' he said, 'we hope to find out just how much competition they are to established theatres. There are now about 1,000 of the open-air spots. Certainly in the drive-in we have a new type of business. Many owning both theatres and drive-ins in close proximity to each other contend that the drive-in is not competition, that a new motion picture clientele is being formed attracting folks who were not regular attendants to theatres. I believe this is true'."

"The fact that so many of our customers who for years have operated theatres are also in the drive-in business, should enable the industry to find their proper place."

Reflecting growth and public importance of drive-in theatres (continued)

Exhibit 9 (July 30, 1949) **The Independent Film Journal** (page 3)

"Drive-Ins Create New Patrons for Motion Pictures—Rodgers"

"Drive-ins are creating new patrons for motion pictures, William F. Rodgers, vice-president and general sales manager for M-G-M, told the industry trade press last week. While no final conclusions can yet be drawn from a survey made by the company on this subject, the M-G-M sales chief stated that there was considerable evidence to indicate that **this 'new type of business' was expanding the national audience** rather than serving as a competitive threat to established theatres."

"Concluding his remarks, Rodgers said, 'If they are **catering to people who seldom went to theatres, . . . we should give them every encouragement as another department of motion picture service.'"**

Exhibit 10 (August 24, 1949) **The Exhibitor** (page 5)

"Big story of the 1949 entertainment season has been the growth of drive-in throughout the country."

"In all parts of the U. S., they have sprung up as a permanent part of exhibition, bringing, in the opinion of many, new theatregoers who ordinarily would never go to the regular type of theatre."

". . . **Camden, N. J., where the drive-in originated,** . . ."

Exhibit 11 (October 1, 1947) **The New Yorker** (page 20)

"The Talk of the Town":

"Drive-In movie theatres have been springing up all over the country for the last year or so, . . . now New York has a **rather spectacular** one. It's the **Whitestone**

Bridge Drive-In Theatre . . . the manager, Mr. Harvey Elliott, . . . takes a bullish view of the future . . . 'Let me tell you the drive-in theatre is no fad. . . . The drive-in is the easiest way there is to see a movie . . . **family trade . . . accounts for eighty-six per cent of our business . . .**'"

"The South, Southwest, and Midwest have the greatest number per capital . . . **The first drive-in theatre was built in 1933, outside Camden, New Jersey, he told us, by a man named Hollingshead, who got a patent on it** and has been suing other drive-in-theatre people ever since. . . . There were only a hundred drive-ins in the whole country in 1940; now there are fifteen hundred, and two thousand under construction. . . . **The Whitestone . . . cost . . . about four hundred thousand dollars. . . .**"

". . . The cars line up on ramps laid out in a series of semicircles around the screen. **The ramps slant upward at an angle.** . . . 'On opening night, we turned away eight thousand people,' Elliott said. 'Since then, we've averaged sixty per cent of capacity. . . .'"

Exhibit 12 (October 8, 1949) **BOXOFFICE** (page 10)

"Drive-In Clearance Rights Placed Before the Court"

"Chicago—the first drive-in theatre suit attacking film distribution practices . . . got under way in federal court here this week."

"The South Bend operators are attempting to introduce the court's opinions in the Paramount antitrust case,* to bolster their charge that there has been a disregard of tests laid down by the court to determine the reasonableness of clearance."

. . . . . .

"The defense also told the court that drive-in theatres are so new to the industry . . ."

"The newness of the drive-in, Miles Seeley, attorney for RKO, Loew's and Universal-International, said, 'has not only posed a question for the distributor as to how they should be treated.' . . ."

*U. S. *v.* Paramount Pictures Inc. et al., 334 U. S. 131.

Showing immediate and great importance of suit at bar, to whole industry and to many Federal Courts

Exhibit 13 (August 28, 1948) **The Charlotte (N. C.) News** (page 7-A)

Drive-In Men May Form Association"

"**At least 150 operators of drive-in theaters of the Carolinas** will meet here tomorrow to discuss formation of an association.

"Bob Jeffress . . . said that the purpose of the organization will be to protect the interests of theater operators. He explained that hundreds of drive-in theaters have been opened in the United States during the past few months and that an organization is needed to protect their interests. There are at least 128 drive-ins in the Carolinas now . . . three committees, policy, legislative and **litigation** have been formed."

"The meeting here tomorrow has attracted **national** interest. Representatives of interested groups in other states are expected to attend the meeting and it is believed that the Carolinas Association may be the nucleus of a **national** group."

Exhibit 14 (October 25, 1948) **Bulletin No. 4** of the

Drive-In Theatre Owners Association, Inc.

"This is the important bulletin that **you have been waiting for.** It has all the **information** we think you wish **in connection** with the **litigation** . . . **the Hollingshead** (Park-In) **patent** . . . **effect on drive-in theatre operators.**"

"A **meeting** was called for the Board of Directors . . . in order that they might **talk to Mr. Hector M. Holmes** of the Boston office of Fish, Richardson & Neave. Mr. Holmes is currently **representing a similar suit** that will be argued . . . **before the First Circuit Court of Appeals** (the highest federal court except the U. S. Supreme Court) . . ."

"**The Board decided** that the firm of Fish, Richardson & Neave was undoubtedly the best that could be had to fight a test case with Park-In, Inc. and stand a reason-

Showing immediate and great importance of suit at bar, to whole industry and to many Federal Courts
(continued)

ably good chance of winning. . . . In theatre matters regarding the Park-In patent they now **represent the E. M. Loew interests in the Providence suit** . . . and **it's outcome is going to be very important to drive-in operators throughout the country.** . . ."

". . . our case . . . goes to the Fourth Circuit Court of Appeals . . . **Mr. Holmes feels that we have a good chance of winning the** . . . **suit in the Circuit even if lost in the lower court, especially if the Loew case is won in the First Circuit. If that Court holds the patent valid, the chances would be less.** . . ."

"the cost of . . . **a patent case** . . . **runs into big money** . . ."

"The Board of Directors decided . . . to agree to aid . . . financially. . . ."

". . . it is of utmost importance that the association continue its efforts to raise money to be sure to have enough on hand and coming in to enable us to assist . . . the best possible defense. **The cost of patent litigation is very substantial** . . . This matter is . . . important . . . redouble your efforts to secure as many members for the association as possible and that all members and non-members operating drive-in theatres . . . make as large a donation to this fund to pay first class attorneys as is possible."

"This case is important to all of us . . ."

"A statement . . . **from Mr. Holmes follows in his own words:** . . .

'The U. S. Supreme Court might consent to review the decision of the Appellate Court if asked to do so' . . .

'to merely contribute to the defense of . . . suit . . . does not make such a contributor a party to the suit or bound by the outcome, except as he . . . is subject to **the law as determined in the case** of the Appellate Court **of the U. S. Supreme Court.'**

'. . . the cost of defending a patent case is substantial.' "

Showing immediate and great importance of suit at bar, to whole industry and to many Federal Courts
(continued)

Exhibit 15 (October 31, 1948) **Bulletin No. 5** of the **Drive-In Theatre Owners Association, Inc.**

"**3. Is the Park-In Theatres, Inc. patent (Hollingshead) valid?** . . . the association . . . is through its membership, financially aiding . . . in giving the best defense possible to the suit brought . . . by the Park-In Theatres, Inc. . . . **If your theatre** is ramped, terraced or **has a car aiming device** (or if you plan to have one) **then the association is aiding your theatre financially—you should be a member and help pay these expenses.**"

"**If you are not a member of the special litigation group—join now!**"

Exhibit 16 (April 16, 1949) **BOXOFFICE** (page 9)

"**Can't Patent Drive-In Idea, U. S. Court of Appeals Holds**"

"**Important Decision Goes Against Park-In Which Sued on Infringement**"

"Boston—In the most important decision handed down to date on the validity of drive-in ramp patents, the United States Circuit Court of Appeals this week ruled against Park-In Theatres of Camden, N.J., in a suit charging infringement of patents."

"As the Circuit Court of Appeals is the second highest court in the land, the opinion has particular significance. When the case is appealed it steps up to the Supreme Court. Park-In has announced that an appeal will be taken. Hundreds of thousands of dollars in licensing fees are involved."

"**This week's decision has widespread ramifications.** Not only are many drive-in operators currently paying royalties to Park-In Theatres, but others have refused to pay and are being sued."

Showing immediate and great importance of suit at bar, to whole industry and to many Federal Courts
(continued)

Exhibit 17 (April 30, 1949) **BOXOFFICE** (page 22)

"Men and Events"

"Drive-In Patent"

"An undercurrent of excitement spread across the country among drive-in theatre owners and prospective owners following the U. S. circuit court of appeals ruling in Boston that the patent of Park-In Theatres of Camden, N.J., **was invalid. Progress of the case to the Supreme Court will be watched with keen attention."**

"Some drive-in operators have paid royalties based on a percentage of receipts; others have paid for a time and have then refused to pay; still others have paid no attention to the patent. **The prospects of litigation have loomed large in the calculations of everyone concerned."**

"Eastern operators are loath to discuss the case before a final decision. Some of them are already defendants in suits."

Exhibit 18 (May 18, 1949) **The Exhibitor** (page 16)

"Levy Offers Opinion on Drive-In Decision"

"New York—Herman M. Levy, **general counsel, TOA,*** last week **released a digest of the decision in the case of Loew's Drive-In Theatre, Inc., vs. Park-In Theatres, Inc.,** decided by the U. S. Court of Appeals for the First District of Boston on April 8, and pointed out that 'technically only those states that are included in this particular Circuit Court (Maine, New Hampshire, Massachusetts and Rhode Island) are affected by this decision. In those states, drive-in theatre operators may fairly safely decide to withhold further royalty payments at least until an adverse decision, if any, on appeal. As to operators in the other states, it would be best for them to consult their attorneys to determine their opinions as to: (1) whether the Supreme Court will consent to hear the appeal; and, (2) the probable decision of the Supreme

* Theatre Owners of America.

Showing immediate and great importance of suit at bar, to whole industry and to many Federal Courts
(continued)

Court. Both of those items should be explored before a conclusion is reached as to whether the payment of royalties should be discontinued."

"He said further: **'In the light of the decision,** some **confusion** may be **developed in the industry** by the case of Park-In Theatres vs. Rogers, 130 F. (2d) 745 (California).' . . ."

Exhibit 19 (May 28, 1949) **BOXOFFICE** (page 79)

"Rush to Build Drive-Ins On in New England Area"

"Boston—New England drive-in construction has taken a decided upward surge this spring, partially **caused,** it is believed, **by a circuit court of appeals decision in the case of Park-In Theatres, Inc.,** of Camden, N.J., **and E. M. Loew's.** The judges reversed a decision by the lower court of Providence and stated that **drive-in owners did not have to pay royalties to the New Jersey company."**

Exhibit 20 (July 16, 1949) **The Independent Film Journal**

"Drive-in Infringement Issue Before Supreme Court for Final Ruling"

Exhibit 21 (August 9, 1949) **The Film Daily** (cover)

"Park-in Wins Right to Amend Richards' Plaint"

"Wilmington—Federal Judge Richard S. Rodney entered a court **order** upholding the right of **Park-In Theatres, Inc.,** to file an amended complaint in its **patent suit against Paramount-Richards Theaters, Inc.,** Paramount-Richards Enterprises, Inc., Kennington-Richards Enterprises, Inc., Richards-Ehrlich Enterprises, Inc., Saenger Theaters Corp., Capitol Theater Corp., and United Theaters, Inc., and **denying defendants' motion for summary judgment as to the original complaint.**

"Judge Rodney also deferred disposition on Park-In's motion to strike the brief attached to the affidavit of **Hector M. Holmes,** filed in support of the defendants' dismissal motions."

Showing immediate and great importance of suit at bar, to whole industry and to many Federal Courts
(continued)

Exhibit 22 (October 8, 1949) **Motion Picture Herald** (page 16)

"**High Court to Act Quickly**"

"**Expect Early Decision** on Five Actions **Involving the Film Industry**"

"**The Supreme Court next Monday, October 10, probably will dispose of** most . . . film industry cases now pending . . ."

"A fourth **case** involves the validity **of Park-In Theatre's drive-in patent** . . ."

"The drive-in patent dispute arose when Park-In Theatres, Inc., sued Loew's Drive-In Theatres, Inc., . . ."

". . . **Hollingshead patent, containing a basic layout for drive-in structures** . . ."

"**Levy warned on Drive-ins**

"**In a recent analysis of the case, Herman Levy, TOA* general counsel, said it was fairly safe for drive-in operators in the states covered by the First Circuit Court to withhold payments under the Hollingshead patent,** . . ."

Exhibit 23 (October 10, 1949) **The Film Daily** (page 1)

"**Await Supreme Court Action** on 5 Appeals"

"Washington—As the Supreme Court settles down today to its first real business session, action is anticipated on five cases **affecting the film industry** . . ."

"On the Supreme Court agenda and believed about ready for disposal, are . . . fifth appeal was brought by **Park-In Theaters,** in its patent infringement suit **against Loew's Drive-In Theaters, Inc.** District Court found for Park-In but was reversed by the Circuit Court of Appeals."

* Theatre Owners of America.

Showing immediate and great importance of suit at bar, to whole industry and to many Federal Courts
(continued)

Exhibit 24 (October 11, 1949) **The Film Daily** (page 1)

"High Court Nixes Hollingshead Royalty Charges"

"Upholding the First Circuit Court of Appeals, the U.S. Supreme Court yesterday notified drive-in operators that they need have no fear about infringing the so-called Hollingshead patents. That was the effect of the court's decision to refuse to review the lower court action, throwing out a suit for royalties brought by Park-In Theatres, Inc., against Loew's Drive-In Theaters, Inc."

". . . Richard M. Hollingshead of Park-In, which had built the first such theater in Camden, N.J."

". . . In April of this year the Appeals Court reversed the lower court in a decision which, now that it is upheld by the Supreme Court, is expected to mean the end of royalty payments by an undetermined number of drive-ins which are said to have been paying on the Hollingshead claims."

Exhibit 25 (October 13, 1949) **The Film Daily** (cover)

"Myers Hails Hi Court Stand on Patent Suit"

"Washington—**Allied* General Counsel** A. F. Myers Tuesday **hailed the Supreme Court action in refusing to review a lower Court dismissal of a patent case involving ramps for drive-in theaters as 'tremendously important.'** "

Exhibit 26 (October 15, 1949) **BOXOFFICE** (cover & p. 8)

"Supreme Court Invalidates Patent on Drive-In Ramps"

"The decision of the court not to accept case is expected to have widespread ramifications in the film industry."

"Many have Paid Royalties"

"It lifts the threat of litigation from those building drive-in theatres. It is expected to clear court dockets

*Allied States Association of Motion Picture Exhibitors (729 15th Street, N. W., Washington 5, D. C.).

Showing immediate and great importance of suit at bar, to whole industry and to many Federal Courts
(continued)

across the country of suits filed in the last several years by Park-In Theatres against exhibitors who refused to pay royalties to the company. In addition, **many drive-in theatre operations who have been holding royalty payments in escrow pending the outcome of the patent controversy** will now be able to release the frozen funds."

"**Seeking New Patrons Through Drive-Ins**"

"Chicago—**Loew's, Inc., is interested in utilizing the drive-in theatre as a medium to develop new patronage for motion picture theatres, . . .**"

"**Many drive-in theatres have been paying royalties right along to Park-In Theatres, and it is quite possible that they will drop these payments immediately on advice of such well-known industry counselors as Abram Myers, Allies States Ass'n board chairman and general counsel.**"

". . . exhibitor counselors pointed out, that other circuits will follow the Boston reasoning as a result of the Supreme Court action."

". . . there are two decisions on Circuit Court records which hold with the Park-In Theatre argument that the drive-in ramp idea is patentable. These decisions were handed down in Philadelphia and San Francisco a number of years ago. These rulings are still the law in these circuits, however, attorneys believe now that the highest court has held with the Boston court, the circuit courts will follow the same reasoning in any new suits brought by Park-In Theatres."

"Abram Myers, **Allied States* Ass'n** general counsel, upon hearing of the high court action advised members not to pay royalties from here on in, and it is likely that members of Allied will heed his advice."

"Myers Says Ruling Clears the 'Problem'

Washington—**Abram F. Myers, general counsel for Allied States,* said the Supreme Court's refusal to hear the drive-in patent case clears that problem for exhibitors.**"

". . . Myers predicted that other circuit courts of appeals will follow the decision of the appeals court in

* Allied States Association of Motion Picture Exhibitors (729 15th Street, N. W., Washington 5, D. C.).

Showing immediate and great importance of suit at bar, to whole industry and to many Federal Courts
(continued)

Boston. . . . **Exhibitors can now go ahead and build drive-in theatres without fear of patent infringement, he said.**"

Exhibit 27 (October 15, 1949) **Showmen's Trade Review** (page 5)

"**U. S. Supreme Court Knocks Out Hollingshead Drive-In Patent**"

"**Refusal to Review Decision in E. M. Loew Suit Upholds Invalidation by Lower Court**"

". . . **U. S. Supreme Court . . . upheld a ruling** by the first U. S. Circuit Court of Appeals **which nullifies the** Hollingshead **patents on ramp systems for drive-ins.**"

"But the **high court's refusal to review** the Hollingshead **Park-in suit, . . . aroused the greatest amount of interest among exhibitors.**"

"**Myers Hails High Court Stand**"

"National Allied* General Counsel Abram F. Myers Tuesday referred to the **Supreme Court's refusal to review** the Hollingshead patent **case** as **'tremendously important.'**"

Exhibit 28 (October 15, 1949) **Motion Picture Herald** (page 16)

"**Rule Patent on Drive-In is Invalid**"

"The Supreme Court Monday refused to review a lower court decision holding the Hollingshead Drive-in Theatre patent invalid."

"**Industry lawyers have been carefully watching for high court action in this case,** and **this week's decision is expected to have wide repercussions in the drive-in business.** Park-In Theatres, Inc. present holder of the **Hollingshead patent,** which **lays out the basic drive-in structure,** has been collecting royalties from many drive-ins and seeking damages from others for patent infringement."

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*Allied States Association of Motion Picture Exhibitors (729 15th Street, N. W. Washington 5, D. C.).

Showing immediate and great importance of suit at bar, to whole industry and to many Federal Courts
(continued)

Exhibit 29 (October 19, 1949) **The Exhibitor** (page 10)

"Park-In Loses Appeal on Drive-In Royalties"

"Washington—**By refusing to review the case, the U. S. Supreme Court** last week **upheld the First Circuit Court of Appeals' decision in Park-In Theatres, Inc. vs. Loew's Drive-In Theatres, Inc.,** Providence, R. I., **which held Park-In had no grounds for royalties collection.**"

". . . the Appeals Court reversed the lower court in the decision which the Supreme Court has now upheld. **The decision is expected to end royalty payments by an undetermined number of drive-ins which had been paying them to Hollingshead.**"

FILE COPY

NOV 8 1949

CHARLES ELMORE CRO
OLE

IN THE

Supreme Court of the United States

No. 170

October Term, 1949

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

APPENDIX

to Petition for Re-Hearing under Rule 33(2)
containing Affidavits and Exhibits
in support of Petition for Re-Hearing

Douglas W. McGregor
Leonard L. Kalish
Melvin R. Jenney
Thomas J. Flynn
attorneys and counsel for petitioner

Press of Allen, Lane & Scott, Philadelphia.

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IN THE SUPREME COURT OF THE UNITED STATES

Park-In Theatres, Inc. plaintiff-petitioner v. Loew's Drive-In Theatres, Inc. defendant-respondent	No. 170 October Term, 1949

Affidavit of Guy W. Meek
in support of Petition for Re-Hearing

State of California }
County of Santa Clara } *ss*

I, Guy W. Meek, being duly sworn, depose and say:

I am a citizen of the United States of the State of California, residing at 140 Green Oaks Drive, in Atherton, San Mateo County, California, and I am a Lieutenant in the United States Naval Reserve, on inactive duty, having been on active duty, in the United States Navy, from 1941 to 1944, inclusive.

Directly upon being put on inactive status at the end of 1944, I became interested and engaged in the building and operation of drive-in theatres of the kind and construction disclosed in and covered by Hollingshead patent No. 1,909,537 (with which patent I am thoroughly familiar), because I then sensed a large and growing public demand for drive-in theatres of the construction covered by Hollingshead patent No. 1,909,537, and since the early part of 1945, I have been continuously active in the building and operation of such drive-in theatres, as more fully set out hereinbelow.

In 1945, I built the Bakersfield Drive-In Theatre at Bakersfield, California and operated it until this year, when I sold the Bakersfield Drive-In Theatre to other interests. Throughout the time I operated the Bakersfield

Drive-In Theatre, I paid royalties under Hollingshead patent 1,909,537, in respect to the Bakersfield Drive-In Theatre.

In 1946 I built the San Jose Drive-In Theatre at San Jose, California and have operated it ever since. In 1947 I built the Peninsula Drive-In Theatre at Palo Alto, California, the Oakland Drive-In Theatre at San Leandro, California, and the Redwood Drive-In Theatre, at Cotati, California. I sold my interest in the Redwood Drive-In Theatre in 1948. Throughout the time that I had an interest in the Redwood Drive-In Theatre, it paid royalties under Hollingshead patent 1,909,537. I have continued to operate and have a substantial interest in the San Jose Drive-In Theatre and each of these has paid and is still paying royalties under Hollingshead patent 1,909537.

The five above-mentioned drive-in theatres represent capital investment of $750,000.00, exclusive of the land as to four of them;—only the land-cost of the Palo Alto Drive-In Theatre being included in the $750,000.00 (the other of the above-mentioned drive-in theatres having been built on leased land).

In addition to my present and continued and substantial interest in and my operation of the San Jose Drive-In Theatre, the Peninsular Drive-In Theatre and the Oakland Drive-In Theatre, I am also regularly engaged in booking film for the above-mentioned Redwood Drive-In Theatre and also for the Crescent Drive-In Theatre at Vallejo, California.

The Crescent Drive-In Theatre has paid and is still paying royalties under Hollingshead patent 1,909,537. The Redwood Drive-In Theatre has stopped paying royalties under Hollingshead patent 1,909,537 and is now operated in infringement of said patent. In the past I have also been engaged in booking film for still other drive-in theatres in California.

I also have been in frequent active consultation with many drive-in theatre operators owning and operating drive-in theatres of the construction covered by Hollingshead patent 1,909,537, both on the West Coast and else-

where in the United States and have attended many meetings of drive-in theatre operators in the last five years in many parts of the Country and have personally visited over two hundred such drive-in theatres.

Recently I became one of the organizers of a trade association of drive-in motion picture theatre owners known as the National Association of Drive-In Theatres, a non-profit association organized for the purpose of disseminating information useful in the operation of drive-in theatres and in generally promoting the interests of drive-in theatre owners and operators. Since about October 1, 1949 this association has obtained 45 dues-paying members located in Alabama, California, Colorado, Connecticut, Florida, Georgia, Indiana, Illinois, Massachusetts, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Texas and Virginia.

Drive-In theatres of the construction covered by patent No. 1,909,537 have enormously increased in number in the last few years, namely, since the end of the recent War, and such drive-in theatres represent an unusual investment opportunity, as profit yields are substantially greater than of the conventional indoor motion-picture houses.

I estimate there are now well over a thousand drive-in theatres throughout the United States, representing a total investment of upwards of $150,000,000.00.

Because of my familiarity with the drive-in theatre industry, I believe that I voice the views of the majority of the persons engaged in this industry.

I am vitally interested and I believe also the large majority, if not, indeed, all the owners and operators of drive-in theatres are vitally interested in an early determination of the validity of Hollingshead patent 1,909,537 by the Supreme Court of the United States.

The granting of the writ of certiorari prayed for in the instant case would relieve the industry of its great state of confusion and uncertainty created by the recent decision handed down by the U. S. Court of Appeals for the First Circuit on April 8, 1949, in the case of *Loew's*

Drive-In Theatres Inc. v. *Park-In Theatres, Inc.* (174 F. 2d 547), and the decision handed down on September 14, 1942 by the U. S. Court of Appeals for the Ninth Circuit in the case of *Park-In Theatres. Inc.* v. *M. A. Rogers et al* (130 F. 2d 745), on the same patent, as the entire industry has either been paying royalties under Hollingshead patent 1,909,537 or, in my opinion, has set aside sums of money equal to such royalties in contingent reserve funds or escrow accounts, and is continuing to do so, awaiting a determination of the validity of the Hollingshead patent by the Supreme Court of the United States.

To refuse to grant the writ of certiorari in the instant case would not only continue the aforesaid confusion and uncertainty in this large and vastly expanded industry, because of the delay which would inevitably be encountered in obtaining a decision of another Circuit, in one of the many now-pending patent-infringement suits based on this patent or in such newly filed patent-infringemet suits as may hereafter be filed thereon. A refusal to grant the petition for writ of certiorari in the instant case would also impose a great and continuing financial burden and inconvenience upon all litigants and the many more prospective litigants in respect to the validity and infringement of Hollingshead patent 1,909,537, as well as upon those who have withheld royalty payments under license agreements still in force.

A determination of the validity of Hollingshead patent 1,909,537, by the Supreme Court of the United States, in the instant case, would relieve not only the parties to this suit but also the many other litigants in the now-pending patent infringement suits and all drive-in theatre owners or operators who either have infringed this patent or have suspended royalty payments under subsisting licenses under this patent, of the great costs and inconvenience of protracted litigation, and would also relieve the courts of the inconvenience of such extensive and protracted litigation, because if the validity of Hollingshead patent 1,909,537 is sustained by this Court, in the instant suit, all licensees, in my opinion, will undoubtedly and willingly

pay up all the royalties withheld under subsisting license-agreements and all infringers will, undoubtedly, willingly pay a similar royalty in settlement of all claims of infringement:—all without need of further litigation. Likewise, if this Court should, in the instant case, hold Hollingshead patent invalid, such decision will likewise, no doubt, bring an end to all further patent-infringement suits. Hence not only the convenience of the litigants involved in the instant suit, but also the convenience of an entire industry and also the convenience of the many courts involved, should incline this Court to grant a writ of certiorari in respect to and review the decision of the U. S. Court of Appeals for the first circuit in the above-mentioned case of *Loew's Drive-In Theatres* v. *Park-In Theatres, Inc.*

(signed) GUY W. MEEK

Sworn to and subscribed before me this 31st day of October, 1949.

(signed) M. W. BAILEY
notary public

[SEAL]

Notary Public in and for the County of Santa Clara, State of California.
My commission expires Dec. 5, 1950

IN THE SUPREME COURT OF THE UNITED STATES

Park-In Theatres, Inc. plaintiff-petitioner *v.* Loew's Drive-In Theatres, Inc. defendant-respondent	No. 170 October Term, 1949

Affidavit of R. A. Edmondson, Jr.
in support of Petition for Re-hearing

State of Georgia }
County of Fulton } *ss*

I, R. A. Edmondson, Jr., being duly sworn, depose and say:

I am a citizen of the United States and of the State of Georgia, residing at 7 Garmon Road, Fulton County, Georgia. I am a graduate of the Law School of Emory University, of Atlanta, and I am attorney-at-law and a member of the Georgia Bar and have been engaged in the active practice of law from 1927, in Atlanta, Georgia. I have my law offices in Suite 304 Walton Building in Atlanta, Georgia.

Since 1939 I have devoted an increasing amount of my time to the building, operation and management of drive-in theatres of the kind covered by Hollingshead patent 1,909,537, as shown more particularly hereinbelow, and for the past years I have so devoted the major part of my entire time. My offices for the drive-in theatre business are in Suite 304 Walton Building, Atlanta, Ga., and the many companies involved are sometimes collectively referred to as the "Dixie Drive In Theatres."

I first became interested in the building, operation and management of drive-in theatres, of the kind covered by Hollingshead patent No. 1,909,537, in 1939, when, in association with other investors, I commenced the build-

ing of the first of such drive-in theatres (of a chain of such drive-in theatres) under license from petitioners, Park-In Theatres, Inc., under Hollingshead patent No. 1,909,537.

Attached hereto is a list of 16 corporations and partnerships, of the group generally known as the "Dixie Drive-In Theatres", in each of which I have a substantial interest as a partner or stockholder and in each of which I am an officer and director and active in the management, with the exception of 1, 2 and 8, which became inactive on account of the discontinuance of the corresponding drive-in theatres, but in each of which (1, 2 & 8) I also had a substantial interest, and was active, during the time the corresponding drive-in theatres were in operation.

Drive-In theatres numbered 1 and 2, in the accompanying list, were discontinued several years ago and were replaced by one of the other drive-in theatres, above identified, while the Durham Drive-In theatre (numbered 8 in the list) was abandoned during the War when the screen-house was destroyed by fire and has not been rebuilt. The other drive-in theatres numbered 3 to 7 and 9 to 14 have been in operation to the present time.

We have paid royalties in the total sum of approximately $175,000.00 in respect to drive-in theatres numbered 1 to 14, inclusive, up to the time of the decision of the U. S. Court of Appeals for the First Circuit in the case of *Loew's Drive-In Theatres Inc.* v. *Park-In Theatres Inc.* (174 F. 2d 547) handed down on April 9, 1949, when we suspended all further royalty payments.

The drive-in theatres identified in the accompanying list (including the two drive-in theatres presently being built) represent a total investment of approximately $1,500,000.00.

I am well acquainted in the drive-in theatre industry. Since the War, a large number of drive-in theatres have been built and are presently being built. Because of the great expansion of these drive-in theatres, since the War, and more particularly the last two or

three years, perhaps no fully accurate count has yet been made of the total number of drive-in theatres which have actually opened and gone into operation, as of today, nor of the total number of drive-in theatres now in the process of being built. I estimate that over a thousand drive-in theatres have been completed and put into operation up to this time, and that several hundred are now in the process of being built throughout the United States.

I, and my associates and co-investors in the drive-in theatres identified in the accompanying list, and I believe also all other owners and operators of drive-in theatres, throughout the United States, are vitally interested in an early determination, by this Court, of the validity of Hollingshead patent 1,909,537, because there is confusion and uncertainty in the drive-in theatre industry, by reason of the decision of the U. S. Court of Appeals for the First Circuit in the case of *Loew's Drive-In Theatres, Inc.* v. *Park-In Theatres, Inc.*, (174 F. 2d 547) handed down on April 8, 1949, and the decision handed down by the U. S. Court of Appeals for the Ninth Circuit on September 14, 1942, in the case of *Park-In Theatres, Inc.* v. *M. A. Rogers et al.* (130 F. 2d 745).

The refusal to grant a writ of certiorari, in the case at bar, would continue the aforesaid confusion and uncertainty in the drive-in theatre industry.

The granting of a writ of certiorari in the instant case would, in my opinion, represent a substantial convenience not only to the litigants in the case at bar but also to litigants in the many now-pending suits involving this patent as well as the many other prospective litigants (in infringement suits and royalty suits) and would also represent a substantial convenience to the many federal courts which would be involved in such litigation, both in respect to the infringement of the patent as well as in respect to royalties under licenses under this patent.

Therefore, the granting of a petition for writ of certiorari and the final determination of the validity of this patent, by this Court, in the case at bar, would be

of paramount importance to the large and expanding drive-in theatre industry as well as to the many federal courts which would otherwise have to determine considerably more litigation in respect to this patent and the licenses thereunder.

(signed) R. A. EDMONDSON, JR.

Sworn to and subscribed before me this 1st day of November, 1949.

(signed) JOSEPHINE S. KILGO
[SEAL] Notary Public Fulton Co. Ga.

The "Dixie Drive-In Theatres"
group of companies and drive-in theatres
licensed under Hollingshead patent 1,909,537

1. "Piedmont Drive-In Theatre", on Piedmont Avenue, in Atlanta, Ga., built in 1939 by Piedmont Parking Theatre, Inc. (a Georgia corporation) under license dated March 1, 1939

2. "Stewart Drive-In Theatre", on Stewart Avenue, in Atlanta, Ga., built in 1939 by Parking Palace Theatres, Inc. (a Georgia corporation) under license dated March 1, 1939

3. "Victory Drive-In Theatre", in Savannah, Ga., built in 1939 by Savannah Drive-In Theatre, Inc. (a Georgia corporation) under license dated March 3, 1939

4. "Jax Drive-In Theatre", in Jacksonville, Fla., built in 1940 by Jack's Drive-In Theatre, Inc. (a under license dated December 15, 1939

5. "Orlando Drive-In Theatre", in Orlando, Florida, built in 1940 by Orlando Drive-In Theatre, Inc. (a Florida corporation) under license dated December 15, 1939

6. "Augusta Drive-In Theatre", in Augusta, Georgia, built in 1941 by Augusta Drive-In Theatre (a partnership) under license dated May 9, 1940

7. "South 29th Drive-In Theatre", near Charlotte, N. C., built in 1940 by Charlotte Drive-In Theatre, Inc. (a Georgia corporation) under license dated May 9, 1940

8. "Durham Drive-In Theatre", in Durham, N. C., built in 1941 by Durham Drive-In Theatre, Inc. (a Georgia corporation) under license dated May 9, 1940

9. "South Drive-In Theatre", in Greensboro, N. C., built in 1941 by Greensboro Drive-In Theatre, Inc. (a Georgia corporation) under license dated March 31, 1941

10. "Macon Drive-In Theatre", in Macon, Ga., built in 1941 by Macon Drive-In Theatre, Inc. (a Georgia corporation) under license dated December 20, 1941

11. "Piedmont Drive-In Theatre", in Atlanta, Ga., built in 1947 by Atlanta Drive-In Theatre, Inc. (a Georgia corporation) under license dated June 15, 1947

12. "Stewart Drive-In Theatre", in Atlanta, Ga., built in 1949 by Stewart Drive-In Theatre, Inc. (a Georgia corporation) under license dated October 15, 1948

13. "North Drive-In Theatre", near Greensboro, N. C., built in 1949 by Guilford Drive-In Theatre, Inc. (a Georgia corporation) under license dated November 26, 1948

14. "North 29 Drive-In Theatre", near Charlotte, N. C., acquired in 1949 by Mecklenburg Drive-In Theatre, Inc. (a Georgia corporation) and licensed on January 17, 1949

15. "Chatham Drive-In Theatre", in Chatham County, Ga., presently in the process of being built by Chatham Drive-In Theatres, Inc. (a Georgia corporation) without license under patent 1,909,537

16. "Orange Drive-In Theatre", near Orlanda, Fla., presently in the process of being built by Orange Drive-In Theatre, Inc. (a Florida corporation) without license under patent 1,909,537

IN THE SUPREME COURT OF THE UNITED STATES

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

October Term, 1949

No. 170

Affidavit of
Willis Warren Smith
in support of Petition for Re-Hearing

COMMONWEALTH OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } *ss:*

I, Willis Warren Smith, upon affirmation, depose and say as follows:

I am 60 years of age, a citizen of the United States and of the Commonwealth of Pennsylvania and a resident of Buckingham, Bucks County, Pennsylvania, and I am petitioner's managing director, and in charge of and familiar with its affairs, and I have been intimately connected with the development of the drive-in theater of the Hollingshead patent 1,909,537 since 1932, when I became associated with Mr. R. M. Hollingshead, Jr., the patentee (who is my cousin), and have been associated with him ever since, in connection with the development of the drive-in theater of his patent 1,909,537.

I make this affidavit in support of the Petition for Re-Hearing in the above-identified case, in which this Court entered an Order on October 10, 1949, denying the Petition (filed July 6, 1949) for Writ of Certiorari.

Exhibits 1 to 29, inclusive, hereto attached, are copies of trade publications and other publications and are listed in the *Table of Contents of Appendix* preceding this affidavit, within the same cover.

Exhibits 30 to 44, inclusive, are copies of letters written by licensees* under Hollingshead patent 1,909,537, and

* Exhibits 30, 31, 32, 35, 43 & 44 being copies of letters received by Petitioner within mailing-time after the respective dates appearing thereon

these are also listed in the *Table of Contents of Appendix* preceding this affidavit, within the same cover.

Exhibits 1 to 13, inclusive, and *Exhibits 16 to 29*, inclusive, are clippings from trade publications and other publications of general circulation, which have been reproduced, hereinbelow, photographically. Exhibits 14 and 15, are two Bulletins (No. 4 and No. 5) of the *Drive-In Theater Owners Association, Inc.*, one of the *several* trade associations and organizations formed in the last few years by large groups of motion-picture exhibitors for the principal purpose of financing and directing the defense of patent-infringement suits which have been instituted or which may be instituted on Hollingshead patent 1,909,537 (here in suit). Exhibits 14 and 15 have not been reproduced photographically but, instead, have been reproduced by reprinting, because the originals of these Bulletins were in mimeographed form and, I was advised, would not reproduce well by the available photographic processes.

Exhibits 1 to 13, inclusive, and *Exhibits 16 to 29*, inclusive, are true copies of the publications of which they purport to be copies (with some condensation), and such publications appeared in the magazines and upon the dates indicated in the reproductions thereof hereto annexed.

Exhibits 14 and 15 are Bulletins distributed by the Drive-In Theater Owners Association Inc. on the dates indicated on the reproductions thereof accompanying this affidavit.

The statements made in Exhibits 1 to 29, inclusive, are the statements of writers who, I believe, largely represent the motion-picture exhibition industry of the entire country.

The emphasis appearing in Exhibits 1 to 5, 10 to 12, 16 to 19 and 22 to 29 (by underscoring) and in Exhibits 14 & 15 (by the bold face of the type) and in Exhibits 30, 31, 32, 35, 43 and 44 (by italics) has been supplied by me, and all footnotes applied to these Exhibits have been supplied by me and represent my interpolations or explanations.

Exhibits 1 to 12, inclusive, are submitted to show the phenomenal expansion, on a truly national scale, of the drive-in theater embodying the invention of Hollingshead patent No. 1,909,537, here in suit, and the tremendous public interest in the invention of this patent, and the *importance of this invention* both to the public and to the motion-picture industry;—the statements contained in these clippings from representative publications (largely trade publications of the industry), being the statements of those familiar with the significance and effect of the drive-in theaters upon the motion-picture industry.

Exhibits 13 to 29, inclusive, are submitted to show that (in view of the widespread infringement of this patent and the many suits still pending and yet to be filed on this patent, as well as the suits to be filed for the collection of past due royalties under licenses) the resolution, by this Court, of the questions presented by the Petition (filed July 6, 1939) for Writ of Certiorari would be of far-reaching and immediate importance to a *new* industry which is undergoing a phenomenal growth, and the resolution of such questions by this Court, would spare not only petitioner but the industry as a whole, of the very large expense of litigation, and would spare many Federal Courts of the burden of extensive further litigation, because decision of this Court, upon the merits of Hollingshead patent No. 1,909,537, *in the present case,* would be accepted not only by the parties to the present action but also by the industry as a whole, as controlling, thereby rendering further patent-litigation unnecessary (see Exhibits 45 & 46 for other patent-infringement suits).

If certiorari is not granted, upwards of 500 additional patent-infringement suits will of necessity have to be filed[1], and in the neighborhood of 100 additional royalty-collection suits will of necessity have to be filed[2], before a decision of another Circuit can be obtained on the question of the validity of the patent, and most if not all of

[1] to stay the running of the time under the applicable statute of limitations, in respect to as many infringers throughout the United States

[2] to stay the various applicable State statutes of limitations

such royalty-collection suits would likewise be in the Federal Courts because of diversity of citizenship and the amount in controversy being in excess of $3000.00.

I helped to finance, manage and direct the building, construction and operation of the first drive-in theatre ever built in the United States or elsewhere, namely, the drive-in theatre which Mr. R. M. Hollingshead, Jr., patentee of patent 1,909,537, built in Camden, New Jersey in 1933 under and in accordance with patent 1,909,537. (See Exhibits 1, 4, 7, 10, 11, 24 and 28, recognizing petitioner's Camden drive-in theatre of 1933 as *the first* drive-in theatre in the world;—and see also R. p. 82).

Because of the film-boycott of some of the major film-distributors and of the discriminatory film-distribution practices of the other film-distributors, practiced against our Camden Drive-In Theater we were compelled to close it down after a few years' operation. Remnants of this discriminatory film-distributing practice are reflected in the second column on the second page of Exhibit 2 under the heading "*Drive-Ins Want Better Product and Clearance*" and in Exhibit 12.

I am advised that this Court in the case of *U. S.* v. *Paramount Pictures, Inc. et al.* (334 U. S. 131), passed upon discriminatory film-distributing practices which were substantially the same as the discriminatory film-distributing practices which were leveled at our Camden Drive-In Theatre, and, since then, also leveled at many of our licensees and prospective licensees who were without film-buying power.

As a result of the economic duress of the aforesaid film-distributing practices engaged in by film-producers and their film-distributors, the patentee R. M. Hollingshead, Jr. and petitioner, his assignee, were forced to abandon further efforts to build and operate their own drive-in theatres of patent 1,909,537 and were forced to turn over the commercial exploitation of the invention of Hollingshead patent 1,909,537 largely to the producers of motion-pictures and to their distributing and exhibiting subsidiaries and affiliates, or to established motion

picture exhibitors owning or operating conventional motion-picture houses who had sufficient film-buying power to enable them to obtain motion-picture film (for the drive-in theatres) neither too old nor overpriced.

Thus, as a result of the aforesaid economic duress, R. M. Hollingshead, Jr. and petitioner were forced to grant licenses to those who had theretofore been established in the motion-picture industry, namely to those who had film-buying power, and Hollingshead and petitioner were forced to grant such licenses upon inadequate royalty rates, and royalty-rates not commensurate with the great benefit and large profit derived from the invention by the licensees.

The aforesaid discriminatory film-distributing practices, aimed to prevent the wider use of the invention of Hollingshead patent 1,909,537 are the basis, in part, of one of the several causes of action set out in petitioner's Amended Complaint in the case of *Park-In Theatres Inc.*, v. *Paramount-Richards Theatres Inc. et al* listed in *Exhibit 45* and detailed in *Exhibit 46*.

Except for losses due to such film-boycott or discriminatory film-distributing practices as those leveled at petitioner's Camden Drive-In Theatre and at the drive-in theatres of some of the "independents", the operation of drive-in theatres embodying the invention of Hollingshead patent 1,909,537, have been exceptionally profitable to the owners and operators of such drive-in theatres (see Exhibits 1 to 12). In many instances the return of the investment was such that the investment was returned in its entirety in a matter of 2, 3 or 4 years and in some instances, according to reports, the investment was recouped in one year's time (see Exhibit 2).

In addition to this, the drive-in theatres have been an increasingly profitable source of revenue for the film-producers and film-distributors (see Exhibits 8 to 10 and 26).

The drive-in theatre invented by Richard M. Hollingshead, Jr. and forming the subject-matter of Hollingshead patent No. 1,909,537, was entirely unknown and unantici-

pated in the United States, or elsewhere, prior to the time when Richard M. Hollingshead, Jr. invented such drive-in theatre, and such invention by Richard M. Hollingshead, Jr., constituted an original contribution of great value and benefit to the public at large, and the public has recognized the merit of said invention by patronizing, to an ever increasing extent, the drive-in theatres of patent 1,909,537, over a thousand of which have been built, constructed and used throughout the United States, solely and directly as a result of such drive-in theatre having thus been made available to the public by Hollingshead;—all as shown by Exhibits 1 to 44, inclusive.

The drive-in theatres of the Hollingshead patent No. 1,909,537 have been of great benefit and value both to the film-producing and film-distributing branches as well as to the picture-exhibiting branch of the motion picture industry, because said drive-in theatres have increased motion-picture attendance over and above what it would have been otherwise, and the return on investment in drive-in theatres of the Hollingshead patent No. 1,909,537 has generally been substantially greater than the return on the investment in the conventional motion-picture theatre houses, and motion-picture exhibitors have profited from such use and commercial exploitation of said invention generally to an extent substantially greater than the profits which they could realize on the building and operation of conventional motion-picture theatre houses with like investments (see Exhibits 1 to 11).

Prior to the filing date of the application upon which Hollingshead patent No. 1,909,537 was issued, no motion picture theatre of any kind or construction was ever built, used or operated in the United States or in any foreign country, in which the patrons viewed the motion-picture from the seats of their own automobiles (driven into the theatre), through the windshields thereof, and, prior to such filing date, the term or phrase "drive-in theatre" was unknown and did not appear in any publication in this or any foreign country;—the term or phrase "drive-in theatre" having been coined by Richard M. Hollings-

head, Jr. (prior to said filing date) as the name for his invention which forms the subject-matter of his patent No. 1,909,537.

Patent No. 1,909,537 is the first patent ever issued in this country or in any foreign country, on a motion-picture theatre in which the patrons view the picture from the seats of their automobiles through the windshields thereof, and this patent is therefore a pioneer patent.

Prior to the decision of the U. S. Court of Appeals for the First Circuit, in the case at bar, as to which certiorari is sought, petitioner had 120 licensees under the patent here in suit, regularly paying royalties. Almost immediately upon the handing down of the aforesaid decision of the U. S. Court of Appeals for the First Circuit (on April 8, 1949) some 96 of the 120 licensees stopped paying royalties, even though the licenses do not give them the right to stop royalty-payments upon such event.

As a result, petitioner's royalty-receipts have been substantially reduced and there is now owing plaintiff substantial sums under subsisting licenses for the collection of which petitioner will be compelled to institute many suits all over the United States unless this Court resolves the questions presented by the Petition filed herein on July 6, 1949 for Writ of Certiorari. As shown by the letters of Exhibits 30 to 44, licensees would willingly pay the royalties if the patent were sustained by this Court.

Moreover, a large number of patent-infringement suits are now pending, based on Hollingshead patent 1,909,537. The proceedings in all but one* of these suits have been held in abeyance by agreement by the Court and counsel, to await the resolution, by this Court, of the questions presented by the aforesaid Petition for Writ of Certiorari, and if such Petition for Writ of Certiorari is not granted, such suits also must proceed to trial.

Affiant believes and avers that a resolution, by this Court, of the questions affecting the validity of Hollingshead Patent 1,909,537 will relieve the various courts of the burden of the large volume of litigation above in-

* *Park-In* v. *Paramount.*

dicated and hereinbelow more fully shown, because if this Court holds the Hollingshead patent valid, the royalties under the many subsisting licenses will undoubtedly be paid without contest and infringers will undoubtedly pay the reasonable royalty which petitioner has generally offered to accept in settlement of all infringement claims;—thereby also making unnecessary the further prosecution of any infringement suits. If, on the other hand, this Court were to hold Hollingshead patent invalid, petitioner would voluntarily discontinue all further patent-litigation.

There is attached hereto, as Exhibit 45, a list of patent-infringement suits instituted by petitioner (based upon Hollingshead patent 1,909,537, here in suit), showing the status of each such suit.

The building of drive-in theatres of patent 1,909,537 was impeded first (from 1933 to 1941) by the discriminatory film-distributing practices of the film-distributing organizations, who were induced to engage in such practices by their interest and investment in the *conventional* motion-picture houses and by their fear of the competition of drive-in theatres.

From 1941 to about 1946, the building of drive-in theatres was virtually at a standstill because of the war-time restrictions upon the use of building materials and equipment for non-essential purposes, and, indeed, even the *use* of the few drive-in theatres built prior to the war was materially curtailed by the war-time gasoline rationing.

It was therefore not until 1946 that the building of drive-in theatres (embodying the invention of Hollingshead patent 1,909,537) was undertaken on a large scale.

I estimate that since the end of the war about 1000 drive-in theaters have been built in the United States, largely by established motion picture exhibitors and corporations formed by motion-picture producers and film-distributors and theater chains. The number of such drive-in theaters has risen since the end of the war, to a present number of well over a thousand;—scattered from

coast to coast and from the Canadian border to the Mexican border, in every State of the Union.

The cost of building a drive-in theater ranges from about $50,000 to $400,000, and even higher, depending on size.

For this additional reason, the resolution, by this Court, of the questions presented by the Petition filed herein on July 6, 1949 for a Writ of Certiorari to the U. S. Court of Appeals for the First Circuit is of paramount importance not only to petitioner and respondent but also to an entire large industry with an estimated investment in drive-in theatres of well over $150,000,000.00 to date, and with further drive-in theaters being completed almost every week in various parts of the country;—an industry which has shown an exceptionally high profit return on such drive-in theatres, a profit return unknown in the operation of conventional motion-picture houses. Furthermore the drive-in theatre industry has escrowed or otherwise set aside, in reserve (and has taken tax-deductions for) sums of money equal to the established royalties owing to petitioner by said drive-in theatres.

The great public importance and nation-wide effect of the determination, by this Court, of the question presented by our Petition for Certiorari, is also shown by the associations of drive-in theater owners and operators, formed for the express purpose, largely, of banding together such drive-in theater owners and operators who prefer not to pay royalties under the patent here in suit and, instead, to solicit litigation-funds through such associations, to carry on litigation, in various parts of the country, against Hollingshead patent 1,909,537. By way of example I refer to Exhibits 13, 14 and 15, which are copies of news-item concerning the formation, and of Bulletin Nos. 4 & 5, of the Drive-In Theater Owners Association, Inc., of Charlotte, N. C., which is but one of several organizations aimed specifically at Hollingshead patent 1,909,537. I also refer to The Independent Drive-In Theatre Owners Association of Austin, Texas, mentioned in Exhibit 1.

I am reliably informed and therefore state, upon information and belief, that hundreds of motion-picture exhibitors, including major theatre circuits and major film-producers and film-distributing organizations as well as trade associations and trade organizations of motion picture exhibitors, including the above-mentioned newly formed organizations and associations of drive-in theatre operators, have banded together against petitioner in respect to Hollingshead patent 1,909,537 and are largely represented by the same patent-counsel, namely the firm of Fish, Richardson & Neave, who, through Hector M. Holmes, Esq. and Maxwell Barus, Esq. (both of the firm of Fish, Richardson & Neave) represent respondent, Loew's Drive-In Theatres Inc. and other defendants in other pending suits and who also represent the principal trade-associations of drive-in theater operators banded together against Hollingshead patent 1,909,537, as shown by Exhibit 14, and who are cooperating with other counsel representing still other infringers involved in litigation with petitioner, as shown by Exhibits 21 and 46.

As shown by *Exhibits 13 to 44*, inclusive, the drive-in theatre industry as a whole, has viewed the action at bar as the *test case*, and, I believe, substantial sections of the motion-picture exhibition industry, and the trade associations above referred to, have contributed financially to the defense of the suit at bar. Thus, while Loew's Drive-In Theaters Inc. is the nominal respondent at bar, a substantial part of the motion-picture industry, if not, indeed, the whole motion-picture exhibition industry is vitally concerned in the *early* determination of the validity of the Hollingshead patent 1,909,537 by this Court.

Exhibits 30 to 44, inclusive, are copies of letters received by petitioner or by petitioner's attorneys, from petitioner's licensees (or from the latter's attorneys);—Exhibits 30 to 42 being letters received between the decision of the U. S. Court of Appeals for the First Circuit in the case at bar and the denial by this Court (on October 10, 1949) of the petition for writ of certiorari, while Exhibits 43 and 44 were received since such denial.

The licensee[1] whose letter of October 17, 1949 is Exhibit 43, paid $169,967.95 in royalties to petitioner during the period from 1940 to 1949, for which such licensee[1] has made formal demand for refund since this Court's denial (on October 10, 1949) of the petition for writ of certiorari, in the case at bar, as shown by the licensee's aforesaid letter. Other licensees have made similar demands for the refund of royalties heretofore paid, as shown by Exhibits 30, 32 and 35. Exhibits 30, 32, 35 and 43 indicate another line of extensive and widespread potential litigation[2], namely ex-licensees' claims of royalty-refunds in the event that the patent is finally determined to be invalid.

I am personally acquainted with most of petitioner's many licensees (and former licensees) under the patent here in suit, as well as with many of the other drive-in theatre owners and operators throughout the United States, and I have conferred with many of them throughout the United States in respect to the decision of the U. S. Court of Appeals for the First Circuit in the case at bar, and based upon my knowledge of the drive-in theatre industry, I state that the industry is looking to the case at bar and to this Court's decision upon the merits of the case at bar, as the test case in respect to the validity of Hollingshead patent 1,909,537.

This is confirmed by the many public statements (in trade publications) by some of the representatives and by some of the leaders of the drive-in theatre industry, as shown by Exhibits 16, 17, 18, 20, 22, 23, 24, 25, 26, 27, 28 and 29, attached hereto, and is also confirmed by the letters hereto attached as Exhibits 30 to 44, inclusive, which are representative of and fairly reflect the general attitude of the entire drive-in theatre industry, namely, that the industry is perfectly willing to pay the established royalty if this Court should grant a writ of certiorari in

[1] originally Underwood & Ezell (a partnership) and later Claude Ezell & Associates, Inc.

[2] in addition to the hundreds of patent-infringement suits and the royalty-collection suits which would have to be instituted by petitioner if certiorari is not granted in the case at bar

this case and, upon a consideration of the merits of the case, hold the Hollingshead patent valid.

Conversely, if upon a consideration of the merits of this case, this Court should hold the Hollingshead patent invalid, petitioner will discontinue all patent-infringement suits.

The denial of this petition for re-hearing and of the petition for writ of certiorari will, as indicated by Exhibits 30 to 44, inclusive, necessarily result not only in extensive further patent litigation but also in extensive litigation rising out of the many license agreements issued by petitioner, on which royalty-payments have been suspended.

The granting of petition for writ of certiorari and the final adjudication of the validity of the Hollingshead patent 1,909,537 will render most, if not all such litigation unnecessary and will represent a great convenience and economy not only to the many licensed and unlicensed drive-in theatre owners and operators but also to the many Federal Courts which would be involved in such litigation, because, if the patent is held valid, then (as indicated by Exhibits 30, 31, 32, 33, 34, 35, 36, 38, 39, 40 & 42) users of the invention of the patent will willingly (and without litigation) pay the established royalties due petitioner for its use, which use has been very profitable to both the licensed and unlicensed users of this invention, as indicated by Exhibits 1 to 11, inclusive.

I am advised and believe that, upon the merits, this Court would hold Hollingshead patent 1,909,537 valid, as (I am advised) that such holding would be consonant with the facts and the applicable law, as found and concluded (*favorably to petitioner*) by the trial court.

(signed) WILLIS WARREN SMITH

Affirmed and subscribed before me, a notary public in and for the State and County aforesaid, on this 8th day of November, 1949.

(signed) E. K. MOEDERN

[SEAL] Notary Public

My Commission Expires January 4, 1953

IN THE SUPREME COURT OF THE UNITED STATES

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

No. 170
October Term, 1949

Affidavit of Robert McCay Green in support of Petition for Re-Hearing

Commonwealth of Pennsylvania }
County of Philadelphia } *ss*

I, Robert McCay Green, being duly sworn, depose and say:

I am a citizen of the United States and of the Commonwealth of Pennsylvania, residing at 19th and Walnut Streets, Philadelphia, Pa.

I am attorney-at-law, a member of the bar of the Supreme Court of Pennsylvania, have actively engaged in the practice of law for the past 20 years, and I am a member of the law-firm of Paxson, Kalish, Dilworth & Green, general counsel for petitioner.

Exhibits 33, 34, 36, 37, 38, 39, 40, 41 and 42, hereto attached, are copies of letters received by me within mailing-time after the respective dates appearing thereon.* Most of these letters were received in reply to letters which I wrote to certain of petitioner's licensees, demanding payment of royalties due under their respective license-agreements under Hollingshead patent 1,909,537.

All emphasis applied in the hereto attached copies of these letters have been supplied by me, and all foot-

* the day of the month having been absent on the letter of Exhibit 39, but this letter was received some time in August of 1949

notes applied to the hereto attached copies of these letters have also been supplied by me and represent my interpolations.

As shown by the aforementioned Exhibits, as well as by the other letters which are Exhibits 30, 31, 32, 43 and 44, identified in the accompanying Affidavit of W. W. Smith bearing even date herewith, and as shown by the many trade publications of Exhibits 14 to 29, inclusive, also identified in said Smith Affidavit, the case at bar is of great importance to an entire large industry, and, as also indicated by the list of suits hereto attached as Exhibit 45, the granting of a Writ of Certiorari in the case at bar and the consequent early determination, by this Court, of the validity of Hollingshead patent 1,909,537, will be a great convenience and economy not only to the many hundreds of owners and operators of drive-in theatres embodying the construction covered by Hollingshead patent 1,909,537, but will also be a great convenience and economy to the many Federal Courts which otherwise will inevitably be involved for many years in time-consuming and costly litigation.

As shown by the letters hereto attached (which, I believe, represent a fair reflection of the general attitude of the drive-in theatre industry), if this Court sustains validity of Hollingshead patent 1,909,537, the industry as a whole will willingly pay the established royalty rate for the use of the invention of said patent, without any further litigation. If, on the other hand, this Court, after hearing and considering this case upon the merits, should hold the Hollingshead patent invalid, petitioner will withdraw all now-pending patent-infringement suits and will not institute the many other new patent-infringement suits which it would have to institute against the many infringers of this patent, in the event that Writ of Certiorari is not granted in the case at bar. Thus, if Writ of Certiorari is not granted in the case at bar, petitioner will have to institute several hundred patent-infringement suits in order to stay the running of the statute of limitations, pending the re-litigation of the Hollingshead patent

in some other Circuit. I estimate it will require anywhere from three to five years before a decision of another U. S. Circuit Court of Appeals can be obtained in any of the now-pending patent infringement suits listed in Exhibit 45 hereto attached. I base this estimate upon the various amounts of time consumed, for the various stages of the case at bar, both in the District Court and in the U. S. Court of Appeals for the First Circuit, as shown in the date-line directly beneath the headings of columns 11 to 29, inclusive, in the folding *Chart* annexed to petitioner's *Brief*, filed in this Court on July 6, 1949, *in Support of the Petition for Writ of Certiorari.* I also base this estimate upon the case of *Park-In Theatres, Inc.* v. *Paramount-Richards Theatres, Inc. et al*, pending for the last two years in the U. S. District Court for the District of Delaware, in which that District Court has already been called upon to devote many full days to hearings on defendants' various motions and to the decisions on said motions, *all before any answer filed;*—the last six of defendants' many motions having been argued, for a full day, on October 31, 1949. I attach hereto as Exhibit 46 a descriptive list of the papers filed, hearings had and decisions rendered in the aforesaid case of *Park-In Theatres, Inc.* v. *Paramount-Richards Theatres, Inc. et al.* While proceedings in most of the other suits have been suspended to await the outcome of this Court's decision in the case at bar, as indicated in Exhibit 45 hereto attached, some suits such as, for instance, *Park-In Theatres, Inc.* v. *Lone Star Theatres, Inc.* (listed in Exhibit 45) have already gone through several stages of motions, hearings and decisions thereon, before further proceedings were suspended to await a final determination in the case at bar.

Therefore, in view of the length of time which is inevitably required before a decision of the Court of Appeals of another Circuit can be obtained, many more suits will have to be filed if Writ of Certiorari is not granted in the case at bar. This will result in the expenditure of countless time and expense, for both the courts and the

industry, all of which can be saved if this Court grants certiorari, because it is clear that both the industry and the patent-owner will accept only this Court's decision, as a final determination of the validity of this patent which is the basic question involved in this widespread litigation.*

Further deponent sayeth not.

(signed) ROBERT MCCAY GREEN

Sworn to and subscribed before me this 8th day of November, 1949.

(signed) E. K. MOEDERN
Notary Public
My Commission Expires January 4, 1953

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* See the opinion rendered by respondent's chief counsel (Hector M. Holmes, Esq.) to the *Drive-In Theatres Owners, Inc.*, quoted in the latter's *Bulletin No. 4* (Exhibit 14):

"The U. S. Supreme Court might consent to review the decision of the appellate court if asked to do so . . . its decision would then become the binding one"
". . . everyone . . . is subject to the law as determined in the case of . . . the U. S. Supreme Court".

See also the letters which are Exhibits 30, 31, 32, 33, 34, 35, 36, 38 and 40, in which petitioner's licensees state their complete willingness to pay all now-unpaid royalties, without any controversy whatever, if this Court were to sustain Hollingshead patent 1,909,537.

NOV 18 194
CHARLES ELMORE CR

Supreme Court of the United States.

OCTOBER TERM, 1949.

No. 170.

PARK-IN THEATRES, INC., *Petitioner*,

v.

LOEW'S DRIVE-IN THEATRES, INC., *Respondent*.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR REHEARING OF DENIAL OF PETITION FOR WRIT OF CERTIORARI.

HECTOR M. HOLMES,
Of Counsel.

FISH, RICHARDSON & NEAVE,
Attorneys for Respondent.

ADDISON C. GETCHELL & SON, LAW PRINTERS, BOSTON.

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Supreme Court of the United States.

OCTOBER TERM, 1949.

No. 170.

PARK-IN THEATRES, INC., *Petitioner,*

v.

LOEW'S DRIVE-IN THEATRES, INC., *Respondent.*

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR REHEARING OF DENIAL OF PETITION FOR WRIT OF CERTIORARI.

Preliminary Statement.

The Court of Appeals for the First Circuit held the Hollingshead patent in suit invalid for absence of invention on April 26, 1949.

The petition for writ of certiorari was filed July 6, 1949, and denied on October 10, 1949.

The petition sought review for alleged conflict of decisions and alleged errors of the Court of Appeals. Respondent showed that there was no conflict,* that this is merely an ordinary patent case presenting the common

*If the emphasis in the present petition for rehearing on the alleged confusion between the decisions of the First and Ninth Circuits (see Petition for Rehearing, pp. 3 and 9; App. pp. 3a and 8a) is designed to imply a conflict, we would refer the Court to our brief in opposition to the original petition (p. 9), which shows that there is no conflict whatever.

question of fact in patent cases, namely, whether, under all the circumstances, what the patentee did amounted to invention, and that the Court of Appeals had found absence of invention on the basis of time-honored principles and considerations.

The Hollingshead patent expires on May 16, 1950.

The Grounds for the Present Petition.

In the petition for rehearing none of the grounds of the original petition are relied upon. Nor, as we will show, have any events intervened since the filing of the original petition that supply any basis for allowance.

The grounds for the present petition (see Petition, p. 2) are (1) importance of the Hollingshead patent to the drive-in theater industry, (2) avoidance of further litigation, (3) alleged confusion from the decisions in the First and Ninth Circuits, (4) desire that the present case shall be a test case, and (5) alleged misuse of this Court's denial of the original petition for writ of certiorari.

Grounds 1, 2 and 4 Present No Basis for Allowance.

A general industry interest in a patent and avoidance of further litigation offer no basis for certiorari (infra). In most patent cases the patent has importance to members of an industry beyond the interest of the parties to the suit, and in many if not most cases further litigation* will be avoided if this Court will only accept the first case on certiorari. We know of no precedent for allowing certiorari in a non-conflict case, merely on alleged importance of the

*In the present case the further litigation threatened is that of the petitioner to try for diversity of opinion in another circuit. There is no adjudication of validity to give concern to the industry.

patent and avoidance of further litigation, in the absence of special circumstances of a character not present in the usual patent case and not present in the present case, which is of a most usual character.

We summarize the facts and allegations relied on by petitioner, *infra*, p. 6.

THE THIRD GROUND PRESENTS NO BASIS FOR ALLOWANCE.

This ground for allowance is based on the parallel statements of affiants Meek and Edmonson (Appendix, pp. 3a and 8a) that there is "confusion and uncertainty" by reason of the decisions of the First and Ninth Circuits (see footnote, *supra*, p. 1). It is not the function of certiorari to have the Supreme Court correct any lay misunderstanding as to decisions of the courts, and any such lay misunderstanding is not a substitute for an actual conflict of decisions as a basis for certiorari.

GROUND NO. 5—ALLEGED "MISUSE" OF THIS COURT'S DENIAL OF THE ORIGINAL PETITION.

Petitioner (Petition, pp. 3, 4) asserts "misuse" of the denial of the original petition and contends that there is precedent for allowance on the authority of the statement in Robertson & Kirkham's "Jurisdiction of the Supreme Court of the United States," Section 324, note 72. Robertson & Kirkham there state that "the validity of a patent has been adjudicated on rehearing in the absence of a conflict of decisions *where respondent misused** the prior decree of the Supreme Court dealing only with the issues of contributory infringement.[72]" The authority of note 72 is *Carbice Corp.* v. *American Patents Development*

*All emphasis ours except where otherwise noted.

Corp., 283 U.S. 420 (relied on by Petitioner, p. 5). On the original hearing (283 U.S. 27) this Court dismissed because of patent misuse and did not pass on validity. *The patent owner misused* this action of the Court by intimidating customers (see 283 U.S. 420) and respondent petitioned this Court to rehear the case and pass on validity. The petition was granted and the patent held invalid.

In the present case misuse by respondent is not charged and there has been no misuse by others. One or two writers in trade publications have fallen into the common lay error of thinking that denial of certiorari is an affirmance of the decision below. Any such misunderstanding is not misuse and is no basis for rehearing, and the petition finds no support in the "authority" relied upon.

No Events have Intervened since the Filing of the Original Petition to Now Call for Allowance.

The petition (p. 4) cites Robertson & Kirkham (Section 287, note 29, and Section 288, note 70) for the proposition that certiorari will be granted in a non-conflict case where "intervening events have imported into the case an element of importance not exhibited in the original Petition." The implication is that there are such intervening events of importance in the present case. The only event occurring since the filing of the original petition on which petitioner relies is the misunderstanding by some trade papers of the significance of the certiorari denial, to which we have just referred. The statement of Robertson & Kirkham (Section 287, note 29, and Section 288, note 70), above quoted, cites the *Tri-Ergon* patent cases* as precedents for the proposition as to "intervening events." The cir-

**Paramount Publix Corp.* v. *American Tri-Ergon Corp.*, 293 U.S. 528, and *Altoona Publix Theatres, Inc.*, v. *American Tri-Ergon Corp.*, 293 U.S. 528.

cumstances of one of these companion cases are correctly stated in note 71 of Section 324 of Robertson & Kirkham (p. 666) and are briefly as follows: This case involved an important patent in the sound movie projector art. The patent was sustained by the Court of Appeals for the Second Circuit. Petition for certiorari urging clear error and the exceptional importance of the patent to the motion picture industry was denied. Thereafter a petition for rehearing was filed which showed that, since the denial of certiorari by this Court, suits for infringement of the patent had been brought in the Second Circuit by respondent against eighteen companies, which comprised practically all the large producers of motion pictures in the United States, substantially the entire industry, and it was urged that this plain indication on the part of the patent owner to confine litigation on the patent to the Second Circuit, where decrees binding all the large producers in their activities throughout the country could be obtained, revealed the impossibility of a conflict from further litigation. The petitioner urged that under these circumstances the Court should satisfy itself of the soundness of the decision below. The petition for rehearing and certiorari was granted (293 U.S. 528) and the patent held invalid.*

In the present case the patent has been held invalid and some twelve suits on the patent already are at issue in at least five different circuits outside the First Circuit (Ex. 45 of Petitioner's Appendix).

The important circumstances of the *Tri-Ergon* case are completely absent in the present case, which presents no

*Also in the following cases, where the patents had been held valid and infringed, this Court relaxed the general rule as to non-conflict cases because industry concentration in the particular circuit made it improbable that a conflict could arise. *Schriber-Schroth Co.* v. *Cleveland Trust Co.*, 305 U.S. 47, 50; *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U.S. 126, 128; *Muncie Gear Works, Inc.*, v. *Outboard Marine & Mfg. Co.*, 315 U.S. 759, 765.

circumstances of any unusual character. In the present case there has not even been an adjudication of validity to bedevil an industry or any part of an industry.

We will now briefly summarize the facts and allegations on which petitioner relies as presenting special and important reasons for allowance.

No Special or Unusual Circumstances in the Present Case.

The facts and circumstances relied upon by petitioner are of a usual character in patent cases, and all were known to petitioner prior to filing the original petition, except the unimportant fact of some lay misunderstanding of the effect of the denial of the original petition.

Petitioner must rely upon alleged importance of the patent and avoidance of further litigation, which are not grounds for certiorari in a non-conflict case (*infra*).

The drive-in theater—a plot of ground or field into which customers may drive their cars and, without alighting, view a movie—is having considerable vogue. The origin of this unpatentable idea, as appears from the record in this case, is stated in our brief in opposition to the original petition (p. 4 *et seq.*).*

The idea of such a theater as a business venture had some publicity at its inception.

The owners of the Hollingshead patent have operated, not by retaining or attempting to retain exclusivity, but by granting licenses on established royalty basis (Appendix, pp. 15a-16a; but the reason Smith gives has no basis in the

*The self-serving affidavit of Smith (App. p. 12a) is a veiled and very misleading argument for validity, and contains assertions which not only have no basis in the record, but which are contrary to the record in the present case, particularly as to the development of the drive-in theater.

record). The idea had a slow growth before the war. The record shows that there was no difficulty in laying out a field with cars pointing toward the screen, but there was a serious problem of sound distribution under these new conditions which awaited solution, and which was finally solved by R.C.A. (see our previous brief, footnote, p. 13).

About 100 theaters had been built when the war came (Petition, p. 5). Building ceased during the war, and until 1946 (Petition, p. 6; Appendix, p. 19a). Smith estimates that since 1946 about 1000 such theaters have been built in the United States (Appendix, p. 19a). We have no way of checking the accuracy of the highly colored Smith affidavit in this or in other respects.

At the time of the decision of the Court of Appeals for the First Circuit, petitioner had 120 licensees (Appendix, p. 18a). Therefore, the bulk of the industry has not acknowledged the Hollingshead patent, and the petition (p. 5) is in error in stating otherwise. The Court of Appeals for the First Circuit has found that the bulk of the industry had good reason for declining to pay tribute to this patent.

In some areas associations have been formed to present a common front to any efforts to enforce the patent against members.

The petition states (p. 7) that unlicensed users are placing contingent royalties in escrow or in contingent reserves.

Some twenty-three other cases have been filed against alleged infringers, scattered throughout practically all of the circuits of the country. Three of these cases have been settled and thirteen are at issue (Appendix, Ex. 45).* In

*There was a serious question of infringement involved in the present case, which the appellate court did not find reason to pass upon. To what extent various issues of infringement are involved in the other cases, we have no way of knowing.

the case against Gordon P. Allen, in California, trial date was set and continued to November 7, 1949, to await the final disposition of the present case (Appendix, Ex. 45, p. 2).

The decision of the appellate court in the present case naturally created a great deal of interest throughout the industry, which is not surprising in view of the character and claimed scope of this patent. Trade papers announced the decision with the varying degree of accuracy attendant upon most reporting of legal decisions.

Also, immediately when the decision came down in April, 1949, many if not most of the licensees stopped payment of royalties (Appendix, p. 18a), and thereafter placed contingent royalties in escrow or in contingent reserves (Petition, p. 7).

Similarly, non-licensed owners are placing contingent royalties in escrow or contingent reserves (Petition, p. 7).

We have already referred to the occasional misrepresentation of the effect of denial of certiorari by this Court, and to the fact that, except for this circumstance, there has been no intervening event of importance since the denial of the petition by this Court.

No Special or Important Reason for Departing from Established Practice in this Non-Conflict Case.

There is no industry confusion or hardship in the present situation. The only "confusion" asserted is the alleged confusion over the two decisions in the First and Ninth Circuits (*supra*), which offers no basis for certiorari.

The industry is not even faced with an adjudication of validity, and a prospect of preliminary or other injunctions before patent expiration in May, 1950.

The industry is proceeding precisely as it has always proceeded and with no change or risks or confusion calling for special treatment in the present case. As in the past, new unlicensed theaters are being built with full knowledge of the patent, venture capital is being invested and the public served without interruption.

Licensees are now withholding payment but will pay if and when there should ever be a finding of validity resulting from a diversity which the petitioner is entitled to seek (Petition, p. 7). Likewise "the unlicensed part of the industry will abide" by any final determination "and settle (at the established royalty rate)" if the patent is ever finally determined to be valid by this Court (Petition, p. 7).

The assertion of Smith (Appendix, p. 14a) that "upwards of 500 additional suits" for infringement and 100 royalty collection suits will be necessary before another decision can be obtained to prevent the running of the statute of limitations hardly bears analysis, even if pertinent. Petitioner is not out for injunctions, and even if it were, the patent expires in May, 1950, and a decision of this Court would be unlikely before that time even if this petition were granted. The patent statute of limitations for damages is six years (35 U.S.C. 70; R.S. 4921). Therefore, even as to those unlicensed theaters started in 1946 (when building was resumed after the war, *supra*), petitioner has until 1952, and more time as to those built in 1947 and succeeding years. As to licensee suits, withholding of royalties did not come until after the decision below in April, 1949. Therefore there can be no necessity for such suits in any near future.

There is no good reason to anticipate that some one of the many suits now at issue cannot be tried and determined within a reasonable period of time. Meanwhile the industry will proceed without interruption or confusion

or apprehension or hardship. The petitioner is the only person troubled or embarrassed by the present situation. It is seldom in patent situations that an immediate final determination is of less moment or importance than in the present case.

ALLEGED IMPORTANCE OF THE PATENT AND AVOIDANCE OF FURTHER LITIGATION NOT SUFFICIENT IN A NON-CONFLICT CASE.

We come down, therefore, to the usual interest of an industry in a patent, avoidance of further litigation, and the natural desire of petitioner to sidestep the customary necessity of another suit if it wants to try for diversity.

Alleged importance of the patent is an argument that has been unsuccessfully advanced in innumerable petitions. For a notable instance see *Radio Corp. of America* v. *Lord*, 278 U.S. 648.*

Avoidance of further litigation or a multiplicity of suits by an immediate authoritative decision has been unavailing in many cases, and, so far as we can find, this Court has consistently denied such petitions.

This contention was advanced with particular force, but without success, in *City of Milwaukee* v. *Activated Sludge, Inc.*, 293 U.S. 576. The lower court had held valid and infringed important patents relating to methods of sewage disposal. In support of its unsuccessful petition, the city urged that the courts had erred, and that the ruling was of vital public interest and importance, not only to the petitioner but to at least 137 municipalities throughout the

*An apparent exception is *American Fruit Growers, Inc.*, v. *Brogdex Co.*, 283 U.S. 1, where the states of Florida, California, Alabama, Arizona, Georgia, Louisiana and Texas appeared *amici curiae* in support of the petition, as did the United States at the request of the Department of Agriculture.

country, who were using or preparing to use the infringing method. A number of these municipalities filed briefs *amici curiae* in support of the petition (see Robinson & Kirkham, p. 665, note 63).

Conclusion.

The petition should be denied.

There is here no important, new or doubtful question of law or statutory interpretation requiring determination by this Court, as in many tax cases, for instance. There is no conflict of decisions. There is here merely the very common question of fact in patent cases, that is, whether, under all the circumstances, what the patentee did amounted to invention.

The petition advances no special or important reasons for granting this petition and departing from the customary practice of this Court in non-conflict cases.

Respectfully submitted,

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*There is no basis whatever for the implication (App. p. 20b) that respondent's attorney or his firm largely represent the opposition to the patent. We have had no relation or concern with any case listed in Ex. 45 except the *Fabian* cases (in effect one case) and the *Ferguson* case. In the *Paramount* case Mr. Holmes merely executed an affidavit as to the record in the present case, at the request of Paramount's attorney.